Daily Report

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Kessler Attends 'Shield 88' Exercise

AU1006144588 East Berlin NEUES DEUTSCHLAND in German 9 Jun 88 p 5

[Text] Warsaw (ADN)—Army General Heinz Kessler, minister of national defense and member of the SED Central Committee Politburo, on Wednesday [8 June] visited the region in the northwest of the PPR where the "Shield 88" exercise is being carried out. Together with the leader of the exercise, Army General Florian Siwicki, PPR minister of national defense, and the other defense ministers of the Warsaw Pact states, he conducted cordial talks with the participants. Marshal Victor Kulikov, commander in chief of the Joint Armed Forces of the Warsaw Pact states, was also present.

Minister Kessler assessed the course and results of the "Shield 88" exercise that have been achieved so far as an important contribution by the army members to protecting the socialist achievements and to safeguarding peace. He pointed out that, thanks to the consistent and resourceful peace policy of the Soviet Union, the GDR, and the other states of the socialist community, a change for the better is discernible in the international situation. This has been demonstrated by the entering into force of the Soviet-U.S. treaty on intermediate-range missiles which was welcomed in the GDR with great satisfaction. It is now a matter of continuing the disarmament process without delay.

Poland's Labor Minister Addresses ILC

LD1006134788 Warsaw PAP in English 2033 GMT 9 Jun 88

[By PAP correspondent Edward Dylawerski]

[Text] Geneva, June 9—Poland's minister for labour and social policy addressed today a plenary debate of the 75th session of the International Labour Conference (ILC) here, and while referring to International Labour Organization (ILO) general director's report entitled "Human Rights—Joint Responsibility" he said that the joint responsibility existed both in relations between states and within a state, that is in relations between social partners. Honest and constructive dialogue is always the key to joint responsibility and joint actions.

"Problems of human rights," Minister Sekula said, "are particularly close to us. We believe that sovereign states should pursue their cooperation in human rights on the basis of negotiated, international legal instruments which are a sum total of their common experience and compromise which is inevitable in such cases."

When discussing resumption of Poland's operation in the ILO, Minister Sekula expressed satisfaction at the decision of the present conference which returned the right to vote to the Polish delegation.

"A certain misunderstanding in relations between the Polish Government and the ILO which were observed in recent years due to Poland's internal, specially difficult social and economic situation belong to the past according to our view, although time is still in want to overcome the effects of this difficult period. Also needed are dialogue and understanding," Sekula emphasized.

While referring to the issue of application of certain requirements of number 87 ILO convention in Poland, the Polish labour minister stressed that the problem of trade union uniformity or pluralism, which is connected today with the difficult social and economic situation of the country, in the light of Polish labour legislation remained opened.

"Its prospects are related to the direction of evolution of Poland's political life and constitute an aspect of a broader concept of the Polish model of pluralism in public life. Future solutions to this effect will be related to more general political solutions," Minister Sekula said.

"Quite recently," Minister Sekula went on, "the authorities of our state declared that they were for a pluralistic system of collaboration and co-responsibility. An important manifestation of this could be an 'anti-crisis pact' of a kind, that is an agreement between broad reform-oriented coalition that would group representatives of various standpoints and political orientations. In such a situation, solution of the problem of labour pluralism must be, by force of its nature, postponed to a later date."

The Polish minister pointed to the fact that Poland was entering the second stage of economic reforms which was a necessary condition if the country were to solve the exceptionally difficult economic and social situation.

"In a referendum held in November 1987 the majority of the Polish society found reforms indispensable. The measures taken by the government are aimed at soonest possible attainment of a growth in production, work efficiency and profitability accompanied by increased economic and financial autonomy of enterprises."

"Measures taken as part of the second stage of economic reform as well as fulfillment of recommendations from the World Bank and International Monetary Fund, and particularly those pertaining to pay and, first of all, to prices, have certain inevitable results discernible in the population's living standard," said Minister Ireneusz Sekula and continued:

"Being aware of the burden of sacrifice and discomfort society has agreed to because of the reform, the government undertakes also certain counteracting measures,

one of the forms of which are appropriate social actions. Unfortunately, the past months saw in some enterprises the birth of a climate of some impatience which was manifested by work stoppages and simultaneous formulation of economic and political demands."

"Meanwhile, the October 8, 1982 law on trade unions provides for a possibility to resort to strike as an ultimate measure, after first having held negotiations between trade unions and management of enterprises and organizations. Not always is this legally-warranted sequence abided by."

"Whereas it was not strikes but negotiations that helped achieve a favourable solution to the recent disputes, those which had sprung from economic considerations. [sentence as received] The authorities continue to be willing to hold, under the existing legal order, an open and sincere dialogue with workers and trade unions which represent them."

Minister Sekula admitted that hitherto reformatory steps had not yielded fully satisfactory results. New solutions of the second stage of economic reform do not operate in their ultimate and comprehensively-outlined form.

"And thus the Sejm (parliament) adopted the law on extraordinary powers and prerogatives for the Council of Ministers, which does not imply at all a departure from the programme of reforms, but on the contrary—an acceleration of the process of economy reforming and shortening of the waiting period for more palpable signs of improvement in the country's economic situation," concluded Polish minister for labour and social policy Ireneusz Sekula.

SFRY's Loncar Addresses UN Assembly

AU1506090988 Belgrade BORBA in Serbo-Croatian 3 Jun 88 p 7

[TANJUG report on speech by Budimir Loncar, federal secretary for foreign affairs, at the UN General Assembly special session on disarmament in New York on 2 June: "The Vicious Circle With an Exit"]

[Text] United Nations, 2 Jun—"Distrust and rivalries of all kinds have encouraged the arms race, just as a constant accumulation and improvement of increasingly destructive arms has inevitably increased fear and multiplied the divisions in international relations. This has been a vicious circle, but not one without an exit. Without defeatism and without considering it utopian, Yugoslavia has therefore incessantly endeavored for the disarmament process and has incessantly worked toward strengthening confidence and understanding among all the countries, regardless of ideological, political, economic, and other barriers," Budimir Loncar, federal secretary for foreign affairs, said at the beginning of his speech at the third special session of the UN General Assembly on disarmament, in New York. He added that international security appears as a component of and as a result of the democratization of international relations, "whose fundamental value is represented by the equality of all countries in world affairs."

Loncar pointed out the special role, obligations, and responsibility of the great powers in the field of disarmament, but he also pointed out the constant contention of the SFRY that the necessary conditions be created so that the United Nations, "as the protagonist and interpreter of the interests of the entire international community, should be an active and irreplaceable factor in this process."

The Yugoslav foreign minister indicated how important it was to stop the arms race and to begin the process of disarmament, above all nuclear disarmament, "but also all other disarmament, with adequate and inevitable bilateral and multilateral verification, and constantly pointing out that peace and security may get the necessary stability and permanence only if efforts will be invested to reduce and overcome dangerous discrepancies in the course of economic and technological development." Loncar said that Yugoslavia is working toward establishing general security to the benefit of the entire international community, and as a contribution to strengthening regional and national security, believing that the right to peace and life belong to all equally.

Speaking about current positive trends in the world, the relaxation of tension in the relations among the big powers, and the beginning of a dialogue on many important questions, especially in the field of disarmament and on the solving of some hotbeds of crisis, Loncar stressed that the talks between Mikhail Gorbachev, general secretary of the CPSU Central Committee, and U.S. President Reagan in Moscow, as well as the agreements reached earlier and those that are yet expected, deserve the full tribute of the entire international community. These agreements are encouraging and they clearly show that a new orientation is gaining sway in international relations, and this should be in the interest of all, the strong and the weak, the developed and the developing countries.

The Yugoslav foreign minister drew attention to the fact that the nonaligned countries have continuously made a significant contribution to the disarmament process, and he pointed out that nobody can have a monopoly over international peace and security. Budimir Loncar pointed out that the extraordinary meeting of the Coordination Bureau of the Nonaligned Countries that has just concluded in Havana is another confirmation of the importance that the nonaligned countries attach to disarmament.

Welcoming the "historic agreements on the elimination of an entire class of nuclear weapons and the agreement in principle on reducing strategic offensive weapons by 50 percent," Loncar expressed his hope and expectation that other, even wider and more significant agreements will follow.

He then pointed out the contribution by the leaders of Argentina, Greece, India, Mexico, Sweden, and Tanzania to the efforts to stop the arms race, and the significance of their proposal to strengthen the UN role in connection with the verification of future agreements in this field.

Loncar particularly stressed "Yugoslavia's vital interest" in starting and implementing the process of disarmament. He said that the advancement of cooperation of all the countries on the basis of equality and interdependence is a current necessity, and that the demands for a democratization of the disarmament negotiations on a universal plane are becoming the imperative of the time.

It is necessary, Loncar added, that priority should continuously be given to the efforts to eliminate the sources of tension, such as: ideological, political, and other confrontations; striving for supremacy; and inequality in international political and economic relations. He said that an active and peaceful coexistence and cooperation of all states should prevail over the policy of the use of force or the threat of force, and over divisions and various aspects of interference in internal affairs of sovereign states.

Loncar particularly stressed that it was indispensable that the United Nations should intensify its activities so that its central role would be enhanced as much as possible, and that it should bear its share of responsibility in the field of disarmament, in keeping with the UN Charter.

Pointing out that nuclear arms have priority in disarmament negotiations, Loncar appealed for the urgent conclusion of an agreement on comprehensively banning nuclear weapons tests. He also indicated the need for "enhancing the regime of nonproliferation and for a respective treaty, bearing in mind the legitimate interests of the nonnuclear states in the peaceful use of nuclear energy," as well as for the urgent conclusion of a convention imposing a comprehensive ban on chemical weapons. Loncar asked that work should continue in working out an agreement banning other mass destruction weapons, and in preventing the militarization of space.

During his examination of the disarmament process, the Yugoslav foreign affairs secretary drew attention to the need to offer new encouragement to the positive experiences of the CSCE and the Stockholm conference on confidence-building and security measures and on disarmament in Europe.

"It is also important that the measures of confidence and limitation of military activities should expand to naval regions, especially where the fleets of the nuclear powers are present, as in the Mediterranean," Loncar added.

The SFRY foreign minister remarked that the disarmament process is of tremendous importance for developing countries, "for the funds released through disarmament measures would be positively reflected in their overall development, especially economic development."

"We believe that proceeding from the final document of the first special session of the UN General Assembly devoted to disarmament, this session should provide an assessment of development in the past period, point out the essential problems of the present time, and speed up a comprehensive dialogue, turning it into an incessant process of negotiation," Budimir Loncar said.

Yugoslav Proposals [subhead]

He stressed that, bearing in mind the state of international relations, the agreements reached in the field of disarmament and arms control, the existing machinery for disarmament negotiations, and the special role played by the disarmament conference, Yugoslavia believes that this session should direct the efforts of the international community in the immediate future in the following directions, which he listed:

First, a further reduction of the existing stocks of nuclear weapons, in which other nuclear powers should join, and an implementation of the signed agreements as soon as possible. Furthermore, "considering the shift in the emphasis of the arms race from quantity to quality," an agreement on a comprehensive ban of nuclear arms tests in all the communities should be concluded soonest, and the use of other mass destruction weapons should be forbidden and these weapons destroyed. As an immediate task, a convention on a comprehensive ban on, and destruction of, chemical weapons should be concluded.

Loncar also indicated the need for reaching an agreement on the exclusive use of new technological discoveries for peaceful purposes and for the benefit of the whole of mankind.

Yugoslavia proposes, concluded Loncar, that the following also be included in the decisions which will be taken by this session:

—The convening of an international conference in 1989, under the auspices of the United Nations, for the signing of a convention on the total banning of chemical weapons;

—A call to all nuclear powers to reach an agreement on a moratorium on nuclear testing, or for them to introduce one separately, beginning on 5 August 1988—the 25th anniversary of the signing of the Treaty Banning Nuclear Weapon Tests in the Atmosphere, in Outer Space, and Under Water—until an agreement is reached on a total ban on testing;

—A call to all states of the world to unilaterally reduce their conventional arms and armed forces by 10 percent by 1990, which Yugoslavia has already done, as a sign of the readiness of all countries to participate in the process of disarmament.

Reagan's 'Perception, Balanced Tone' in Moscow
AU1406134088 Sofia POGLED in Bulgarian No 24 13 Jun 88 p 6

[Encho Gospodinov article: "The Gorbachev-Reagan Summit and Its Aftermath— Between the Lines, Between the Hours"]

[Excerpt] [Passage omitted] The manner in which Reagan and Gorbachev discussed delicate issues in the area of humanitarian relations presented a new aspect of this subject. They discussed the issue without labels and attacks, but with a willingness to listen, patient actions, and readiness to compromise. In addition the Soviet press, radio, and television devoted much space to this theme, which until recently was taboo. Prof Fedor Burlatskiy, well known to POGLED readers, said that earth will not turn upside down after Reagan's meeting with the dissidents. Burlatskiy, who is the chairman of the Soviet Public Commission on Human Rights and Humanitarian Cooperation, reported that in the USSR there are now more than 30,000 informal groups, which differ in their character and essence, but nobody is being dramatic about this fact. On the contrary, democracy requires tolerance toward all within the framework of the law.

As far as the notorious issue of emigration was involved, the Americans guests in Moscow (and not only they), were able to learn that 40,000 people have received permission to emigrate in 1987. This is five times more than in 1986. According to Rudolf Kuznetsov, department head at the USSR Ministry of Internal Affairs, 20,000 people have received similar permits during the first 4 months of 1988. Kuznetsov also said: "It would be false to claim that there are no problems, or that there are no reasons to improve our work."

The change in this 77-year old man with 4 children (from two marriages), and graduate of the Eureka College Departments of Sociology and Economy, could be noticed in his Moscow speeches (a total of seven—one on his arrival, two at the dinners, three at his meetings with the dissidents, Moscow literary figures, and Moscow University students, and one on his departure). If one adds to them his interview with the USSR journalists Zorin and Kalyagin in the White House, his addresses to the Soviet people number eight altogether.

These addresses differ both in content and nuances. Their tone is their common denominator. It is a more realistic tone, with less ideological intrusiveness than before, with greater depth, and in some cases—with a certain literary brilliance. It was not by accident that Vladimir Karpov, chairman of the Union of Soviet Writers, said that if an award were given on the best speech at the Writers House (where Sergey Zalygin, Vladimir Karpov, Elem Klimov, and Andrey Vasnetsov also spoke), the first award would deservedly have been conferred on President Reagan.

However, it is my personal opinion that his speech at Moscow University, (skillfully prepared by his aides), was perhaps his best speech in the 8 years of his Presidency. I mean the depth of his perception, the selection of themes and arguments, and the skillfully balanced tone. The old cliches in the President's speeches were replaced by quotations of Gogol, Dostoyevskiy, Eisenstein, Pasternak, Akhmatova, and many other geniuses, born and created by Russia and the USSR. The USSR television commentator Vladimir Pozner defined Reagan's speech to the students (about 2,000 words) as an "exceptional speech." Naturally, the leitmotiv of these eight addresses was basically the same: praise for the American system of values. [passage omitted]

Atanasov Receives Hungary's Ballai 14 Jun
AU1406172988 Sofia BTA in English 1635 GMT 14 Jun 88

[Text] Sofia, June 14 (BTA)—Mr Georgi Atanasov, member of the Politburo of the CC of the BCP and chairman of the Council of Ministers, received Mr Laszlo Ballai, chairman of the Hungarian Committee for People's Control.

They exchanged information on the resolutions of the national party conferences and on the current tasks standing before the peoples of the two countries for their implementation. The two sides stressed the importance of the Committees for People's Control for the fulfillment of these resolutions.

Meeting Marks Albanian Historical Anniversary
AU1406191888 Sofia BTA in English 1759 GMT 14 Jun 88

["Scholarly Interest in Albanian History"—BTA headline]

[Text] Sofia, June 14 (BTA)—Historians working for the Institute of Balkan Studies met at the Bulgarian Academy of Sciences today to discuss various aspects of one of the crucial stages of Albania's national liberation movement. The meeting was called to mark the 110th anniversary of the establishment of the Prizren League.

Academician Nikolay Todorov, vice president of the Bulgarian Academy of Sciences and director of the Institute of Balkan Studies, recalled the principal purposes and tasks of that organization and emphasized that it takes credit for raising the questions of Albania's freedom and independence in all their urgency and significance.

The meeting was attended by Prof Kristaq Prifti of the Albanian Academy of Sciences. He delivered a paper on "The Prizren League and Its Struggle for the Liberation of the Albanian People." The presentation emphasized that the activity of the league was a natural outgrowth of

the country's economic, social and political development, and that its roots go deep into the people's centuries long national liberation struggle.

Officials of the Albanian Embassy in Sofia were present at the meeting.

Tanchev Meets Italian Agricultural Trade Group

AU1006180888 Sofia BTA in English 1741 GMT 10 Jun 88

[Text] Sofia, June 10 (BTA)—Mr Petur Tanchev, secretary of the Bulgarian National Agrarian Union (BZNS) and first vice president of Bulgaria's State Council, today received a delegation of Italy's three largest agricultural trade union amalgamations: the Confederazione Nazionale Coltivatori Diretti (Coldiretti), the Confederazione Italiana Coltivatori (Concoltivatori) and the Confederazione Generale Agricoltori (Confagricoltori), who are visiting here at the invitation of the BZNS Standing Committee.

The guests were familiarized with the achievements in Bulgaria's socioeconomic development, with the processes of restructuring and with the efforts to revolutionize science and technology in this country.

The sides considered the possibilities for a further promotion of the BZNS friendly ties with the agricultural trade union amalgamations in Italy, which helps strengthen Bulgaro-Italian political, economic and cultural relations and especially farming cooperation.

In the exchange of views on international issues, the officials welcomed the success of the Soviet-American summit in Moscow as an important victory of sound reason and realism and as a tangible step along the road to a nuclear-weapon-free and nonviolent world.

'Announcement' on Atanasov Iran Visit Issued

AU1406134088 Sofia RABOTNICHESKO DELO in Bulgarian 10 June 88 p 1, 4

["Joint Announcement on the Official Friendly Visit of Georgi Atanasov, chairman of the Council of Ministers of the People's Republic of Bulgaria, to the Islamic Republic of Iran from 7 to 9 June 1988"]

[Text] At the invitation of Mir Hoseyn Musavi, prime minister of the Islamic Republic of Iran, Georgi Atanasov, chairman of the Council of Ministers of the People's Republic of Bulgaria, made an official friendly visit to the Islamic Republic of Iran from 7 through 9 June 1988.

He was received by Seyyed 'Ali Khamene'i, president of the Islamic Republic of Iran, to whom he transmitted an oral message from Todor Zhivkov, chairman of the State Council of the People's Republic of Bulgaria. In reply, the president of the Islamic Republic of Iran sent his best regards to the chairman of the State Council of the People's Republic of Bulgaria and his good wishes for the advance and prosperity of the Bulgarian people, and spoke about expanding the existing relations between the two countries.

The chairman of the Council of Ministers of the People's Republic of Bulgaria was also received by Hashemi-Rafsanjani, chairman of the Majlis (the Iranian parliament).

The leaders of the two countries' governments held two rounds of official talks on bilateral, regional, and international questions, which took place in a businesslike and constructive spirit and in an atmosphere of friendship and mutual understanding.

During the talks, the two sides made a positive assessment of the political, economic, and cultural relations and examined ways for further developing them.

They noted the especial importance of political dialogue, which permits an exchange of views on various aspects of bilateral relations.

The two sides confirmed their interest in consolidating and expanding the mutually beneficial links in various fields and affirmed that a number of unused opportunities exist for this.

Having regard to the need to strengthen overall relations, the chairman of the Council of Ministers of the People's Republic of Bulgaria and the prime minister of the Islamic Republic of Iran signed a protocol on political, economic, and cultural cooperation that outlines the main trends for development of cooperation until the year 2000.

Having examined the work of the last session of the Commission for Economic and Technical Cooperation, the two sides made a positive assessment of the commission's work and voiced their desire to seek new ways at subsequent sessions of the mixed commission for further improving the existing relations.

In examining the other aspects of the relations between the People's Republic of Bulgaria and the Islamic Republic of Iran, the sides declared their support for further developing interparliamentary links and expanding the exchange in the fields of culture, science, and other areas, which will help to deepen mutual trust and understanding.

In discussing topical issues of the international situation, the two sides confirmed the need to abide by the principles embodied in the UN Charter and expressed a desire for further cooperation in the political field and for multilateral cooperation at international forums.

The chairman of the Council of Ministers of the People's Republic of Bulgaria and the prime minister of the Islamic Republic of Iran discussed the most important regional problems and stressed the need for their just solution in the interest of reducing tension in the individual regions.

The two sides exchanged views concerning the recent development of the Iran-Iraq war.

The Bulgarian side gave a briefing on the efforts that it is making to establish lasting peace and constructive cooperation in the Balkans.

The People's Republic of Bulgaria and the Islamic Republic of Iran stressed their aspirations to turn the Balkans and the Persian Gulf region into zones free of nuclear and chemical weapons.

The two sides expressed their deep concern regarding the threat to the safety of navigation in the Persian Gulf and the escalation of tension in the region. They declared that the restoration of security in the Persian Gulf must be carried out by the Gulf states. In declaring their opposition to attacks on the Gulf states, they insist on the withdrawal of the U.S. and NATO naval forces from the Persian Gulf.

Examining the Middle East crisis, the two sides denounced the aggressive essence of Israeli policy regarding the Arab peoples and expressed their solidarity with the Palestinian people's struggle.

They sharply condemned the terror and actions of the Israeli regime against the Palestinian people in the occupied territories, and voiced their total support for the rising of the Palestinian people and their resistance to the occupation.

The two sides condemned Tel Aviv's aggression against Lebanon and expressed their support for the Lebanese people's struggle to preserve the sovereignty, independence, and territorial integrity of Lebanon.

The two sides emphasized the importance of progress in strengthening security and trust in international relations and supported the efforts made on the road toward real disarmament in the world. They agreed that international security forms a single whole, and that the security of some countries cannot be guaranteed at the expense of other countries.

The two sides resolutely oppose the use of chemical weapons, as being a violation of the Geneva Protocol of 1925 on prohibiting the use in war of asphyxiating, poisonous, or other gases and bacteriological means. They declare their support for the creation of an international system of control over chemical weapons, based on the Geneva Protocol of 1925, in order to avert a chemical catastrophe.

The two sides stressed the constructive role of the Nonaligned Movement both in implementing its humane and just ideals and in strengthening the sovereignty and independence of the developing countries.

The two government leaders condemned the policy of apartheid and confirmed once again their countries' readiness to support all the peoples and national liberation movements of Asia, Africa, and Latin America that are struggling for national independence and progress.

The two sides expressed satisfaction with the results of the official friendly visit of Georgi Atanasov, chairman of the Council of Ministers of the People's Republic of Bulgaria, to the Islamic Republic of Iran, as well as their conviction that it will contribute to further developing the friendship and mutually beneficial cooperation between them.

Georgi Atanasov, chairman of the Council of Ministers of the People's Republic of Bulgaria, expressed his profound gratitude for the warm reception offered to him and the officials accompanying him by the people and Government of the Islamic Republic of Iran. He invited Prime Minister Mir Hoseyn Musavi to make an official friendly visit to the People's Republic of Bulgaria. The invitation was accepted with pleasure, and the date of the visit will be settled later through diplomatic channels.

Zhivkov Sends Message to Algiers Conference

AU1006171388 Sofia NARODNA ARMIYA in Bulgarian 9 Jun 88 p 1

[Greetings message from Todor Zhivkov, chairman of the State Council, to the participants in the Extraordinary Summit Session of the Arab League member states being held in Algiers]

[Text] It is a great honor for me to greet the heads of state and government leaders of the Arab League member states who have gathered for an extraordinary session in Algerian capital.

I take advantage of the opportunity to wish success to this highest all-Arab forum which has been assigned the task of solving the crucial political problems facing the Arab peoples and countries.

The Palestinian people's heroic resistance against Israeli occupation shows the necessity of achieving a more prompt, comprehensive, and just settlement of the Middle East conflict. One of the important prerequisites for guaranteeing success in solving the Middle East crisis and for establishing lasting peace in the area is to overcome the differences between Arab countries and to achieve their unity on a realistic and constructive basis.

The People's Republic of Bulgaria has always expressed its support for the just cause of the Arab peoples. Bulgaria will continue to contribute to the improvement of the Middle East situation in accordance with the principles of International Law, in conformity with the UN resolutions, and in considering the interests of all countries in the region. Our country will further contribute to the guarantee of the Palestinian people's national rights, including their right of self-determination, and to the guarantee of a safe existence for all states and peoples situated and living in that part of the world. The convening of an international conference under the aegis of the United Nations, with the participation of the Security Council permanent members, and of all interested sides, including the PLO—the only legitimate representative of the Palestinian people—would be a promising method of settling such problems.

I express my confidence that the Algiers forum will contribute to the search for and the discovery of mutually acceptable solutions to the Middle East problems, which will undoubtedly represent a considerable contribution to the consolidation of peace, security, and understanding throughout the world.

Cultural Cooperation Agreement With Canada

AU1406161688 Sofia BTA in English
1514 GMT 14 Jun 88

[Text] Sofia, June 14 (BTA)—Ms Mariya Zakharieva, deputy minister of foreign affairs, and Mr Terence Bacon, ambassador extraordinary and plenipotentiary of Canada to this country, today signed a memorandum of understanding between the Government of Bulgaria and the Government of Canada on the promotion of bilateral cooperation in culture, science and sports. The document will help Bulgarian and Canadian institutes establish direct contacts and will encourage experts' attendance of various symposia, conference and seminary.

The memorandum further provides for the exchange of exhibitions, actors and groups which will help the two nations get familiar with each other's achievements in literature, the visual arts, cinema, theater and sports.

Defense Support Group Meets on Restructuring

AU1406200388 Sofia NARODNA ARMIYA in Bulgarian
11 Jun 88 pp 1, 3

[Report by Engineer Major Bozhidar Spasov: "Defense Support Organization— An Organization of a New Type"]

[Excerpt] In Sofia on 10 June a conference was held with the leading cadres of the Defense Support Organization [DSO] on questions relating to implementing the decisions of the BCP Central Committee Secretariat concerning restructuring the activity of this organization.

Those taking part in the conference's work included Colonel General Velko Palin, chief of the Social and National Security Department of the BCP Central Committee; Col Gen Khristo Dobrev, first deputy minister of national defense; Aleksandur Mirchev, secretary of the Central Committee of the Dimitrov Komsomol; generals and officers; and representatives of public organizations and chairmen of municipal councils of the DSO from throughout the country.

Lieutenant General Trifon Balkanski, chairman of the DSO National Council, delivered a report entitled: "On Restructuring the DSO in Accordance With the Decisions of the July 1987 Plenum and the BCP National Conference."

"It is necessary to translate the great idea into the language of the specific collective, and to explain to every man and woman his or her personal part in the revolutionary renewal," the report pointed out. The report also dealt with issues concerning the role and place of the DSO as an organic part of the system of self-managing labor collectives and territorial municipalities. The main guidelines were pointed out for restructuring the content and methods of the organization's work, as well as the tasks in specific directions. [passage omitted]

Consulate To Open in Shanghai End of Year

AU1006145188 Prague RUDE PRAVO in Czech 8 Jun 88 p 6

[Column answering readers' questions about the PRC: "What You Want To Know About People's China"]

[Excerpt] [Passage omitted] [Question by reader Eugen Mosa of Bratislava] Are there plans to open cultural centers—ours in China and a Chinese in the CSSR?

[Answer by Vladimir Divis, RUDE PRAVO correspondent in Beijing] Even though relations between the CSSR and the PRC, and the CPCZ and the CPC were completely normalized last year, one does not, thus far, contemplate a similar form of cultural exchange. A Czechoslovak cultural and information center did not exist in the PRC even in the fifties. Also China does not have a similar cultural institution in Czechoslovakia.

At present we are preparing to open a Czechoslovak consulate in Shanghai, which should begin operating at the end of this and the beginning of next year. [passage omitted]

PRC 'Control' Delegation Arrives

LD1106015688 Prague CTK in English 1510 GMT 10 Jun 88

[Text] Prague June 10 (CTK)—A delegation of the Chinese Ministry of Control [ministry name as received] headed by Minister Wei Jianxing arrived here today for a working visit. Its members were received by Czechoslovak minister-chairman of the Committee of People's Control Frantisek Ondrich.

The Chinese guests will be acquainted with the Czechoslovak system of control bodies and their orientation after the 17th Communist Party Congress. They will also gain concrete experience from the work of Czechoslovak control bodies, and visit several plants and the agricultural cooperative farm at Slusovice (South Moravia).

Application Made for Relations With EC

LD1406135788 Prague CTK in English 1040 GMT 14 Jun 88

[Text] Brussels June 14 (CTK)—Czechoslovak Charge d'Affaires in Belgium and Luxembourg Frantisek Kloucek yesterday handed over a note to a representative of the commission of the European Communities which confirmed the Czechoslovak Government's intention to establish official relations with the EC and accredit its ambassador to Belgium and Luxembourg to the EC.

The aim of the Czechoslovak decision is to help create conditions for the development of bilateral relations and cooperation between Czechoslovakia and the 12 European Economic Community (EEC) states.

Further Reportage on Cypriot Delegation Visit

Received by Jakes, Bilak

AU1306185488 Prague RUDE PRAVO in Czech 10 Jun 88 p 1

["(Z)"-signed report: "Receiving the Delegation of the Restorative Party of the Working People (Cyprus) (AKEL); Comrades Milos Jakes and Vasil Bilak Confer With AKEL Representatives"]

[Text] Prague—Milos Jakes, CPCZ Central Committee general secretary, received, in the presence of Vasil Bilak, CPCZ Central Committee Presidium member and Central Committee secretary, the official delegation of the Restorative Party of the Working People (Cyprus) (AKEL), led by Mikhail Poumbouris, AKEL Central Committee Politburo member and Central Committee secretary, which arrived in the CSSR on Thursday [9 June] at the CPCZ Central Committee's invitation.

In a cordial, comradely talk the two representatives briefed each other on the present tasks facing the fraternal parties in implementing the line of the 17th CPCZ Congress and the 16th AKEL Congress. They also discussed certain topical issues of the international situation.

Milos Jakes acquainted the AKEL delegation with the purpose and aims of social restructuring in the CSSR, stressing the decisive role of the CPCZ, the initiator and guarantor of the present processes. After being briefed by Mikhail Poumbouris on developments in Cyprus after the presidential elections, Milos Jakes affirmed the CSSR people's full solidarity with the efforts made by the democratic forces in Cyprus to attain a just solution of the Cyprus issue which would provide for the unity, integrity, and autonomy of this country.

The two representatives highly appraised the standards of CPCZ-AKEL cooperation and spoke in favor of its further dynamic development in all spheres.

Further negotiations with the AKEL Central Committee delegation were conducted by Vasil Bilak, who briefed the Cypriot comrades on the progress achieved in fulfilling the comprehensive program of economic and social restructuring and accomplishing the tasks of further deepening socialist democracy in the CSSR. In this context, he also elucidated the significance of the seventh and ninth CPCZ Central Committee sessions.

In his information on the domestic political situation in his country, Mikhail Poumbouris pointed out that the election of Yeoryios Vasiliou, an independent, as president of the Republic has established the conditions for both a further democratization of social life and a just solution of the Cyprus issue. In this context he stressed the significance of the alliance of patriotic and democratic forces of Cyprus, and of the rapprochement of the two communities. He pointed out that the Cyprus issue

can be resolved solely on the basis of UN resolutions and of the earlier accords concluded by representatives of the two communities, and on the condition that the Turkish and other alien troops are withdrawn. The AKEL stand is that the Greek-Turkish talks can positively influence the solution of the Cyprus issue only if the principle of the island's demilitarization is recognized.

Vasil Bilak appraised AKEL's status, significance, and authority in Cypriot society (acquired by the party during the decades of its consistent defense of the working people's interests and the national interests of Cyprus); he underscored the very good relations between the CPCZ and AKEL and expressed the conviction that they will also develop with the new AKEL leadership in the same manner.

The two comrades then exchanged views on the development of the international situation, particularly in Europe. They agreed on the historical significance of the Treaty on the Elimination of Intermediate- and Shorter-Range Missiles, which is the first important step toward realistic nuclear disarmament. Both sides expressed support for the endeavors which should lead to the conclusion of an agreement on a 50-percent reduction of offensive strategic weapons in the shortest possible time. They appraised the results of the Moscow meeting between the top USSR and U.S. representatives, which was a significant step on the road of intensifying the policy of detente and peaceful coexistence. In this context Vasil Bilak supplied information on the CSSR's efforts and initiatives, aimed at consolidating security in Europe and at enhancing mutual trust and cooperation.

The two representatives then discussed certain issues of mutual CPCZ-AKEL relations and agreed on specific cooperation in the coming period.

The deliberations were attended by Michal Stefanak, CPCZ Central Committee department head.

Press Conference Held

LD1406163188 Prague CTK in English 1300 GMT 14 Jun 88

[Text] Prague June 14 (CTK)—The Cypriot Progressive Party of the Working People (AKEL) favours a dialogue between the two Cypriot communities. A solution of the international aspect depends on the demilitarization of the island and on necessary guarantees, Michalis Poumpouris, AKEL Politburo member and Central Committee secretary, told journalists at a press conference here today.

Michalis Poumpouris heads an official AKEL delegation, currently in Czechoslovakia at the invitation of the Czechoslovak Communist Party Central Committee.

Our opinion is, Michalis Poumpouris said, that the international issue of the Cyprus problem, but not only that, must be solved by an international conference, without which a just solution cannot be achieved.

Cypriot President Yeoryios Vasiliou has nominated a cabinet in which practically all ideological streams including AKEL are represented. He has also established semi-official councils developing activity in power engineering, communications and other economic spheres, into which representatives of all ideological streams have been appointed. These are the positive aspects appreciated and supported by AKEL, Michalis Poumpouris said.

At the same time the party criticizes activity which is not based on the president's statement and which does not correspond with the situation in Cyprus, the AKEL representative said, adding that for instance his party is against the membership of Cyprus in the European Economic Community, supported by Yeoryios Vasiliou and other right-wing representatives.

Answering the journalists' questions, Michalis Poumpouris stated that relations between the Czechoslovak Communist Party and AKEL are and have always been very good. The two parties have identical opinions on topical issues of the international situation, he said. Michalis Poumpouris also highly appreciated and expressed full support for Czechoslovak Communist Party General Secretary Milos Jakes' proposal to create a zone of confidence, cooperation and good neighbourly relations on the borderline between members of the Warsaw Treaty and NATO countries.

Departs 14 Jun

LD1406232688 Prague CTK in English 1937 GMT 14 Jun 88

[Text] Prague June 14 (CTK)—An official delegation of the Progressive Party of the Working People of Cyprus (AKEL) led by Politburo member and Central Committee Secretary Michalis Poumpouris left here for home today.

The Cypriot delegation paid a visit of several days to Czechoslovakia at the invitation of the Czechoslovak Communist Party Central Committee.

USSR Deputy Premier Antonov Visits Gottwaldov

LD1406170588 Prague Domestic Service in Slovak 1300 GMT 14 Jun 88

[Text] Aleksey Antonov, deputy chairman of the USSR Council of Ministers who is leading the Soviet delegation at the 28th session of the intergovernmental Czechoslovak-Soviet Commission for Economic and Scientific-Technical Cooperation, visited the Gottwaldov area today. The guests acquainted themselves with eight

development programs in the united farming cooperative Agrokombinat Slusovice and visited the largest Czechoslovak shoe-making combine, the national enterprise Svit Gottwaldov.

The Soviet guests spoke to the working people, representatives of the enterprise, and representatives of the Gottwaldov party bodies.

Travnicek Cited on Syrian Talks

PM1306120988 Damascus AL-BA'TH in Arabic 31 May 88 p 2

[Interview with CSSR National Front Central Committee Deputy Chairman Tomas Travnicek by 'Abd al-Ra'uf al-Kafri; place, date not given]

[Excerpts] CSSR National Front Central Committee Deputy Chairman Tomas Travnicek has emphasized his country's stand on supporting and backing Syria's just struggle under President Hafiz al-Asad to liberate the occupied Arab territories, recover the inalienable national rights of the Palestinian Arab people, and confront imperialist and Zionist schemes aimed at imposing hegemony and perpetuating divisions in the Arab world. [passage omitted]

Travnicek added that the exchange of visits strengthens understanding between our friendly peoples and their national fronts. He said: Our talks with Comrade Dr Muhammad Zuhayr Mashariqah, vice president and deputy chairman of the National Progressive Front, were successful as we reviewed issues concerning political developments in both the Arab and international arenas and our roles in the process of building and development and in serving the general objectives of our peoples. Our views on all issues were identical. He also said that a 3-year renewable friendship and cooperation agreement has been signed, which will open the door for joint cooperation between the two fronts as well as governmental and popular organizations. [passage omitted]

In reply to another question Travnicek said: I can speak on behalf of the Czechoslovak people, who highly appreciate Syria's important stand on all principled issues, not only regional and Arab issues—including the Middle East, which causes international concern—but international issues as well. Our country has repeatedly emphasized its support for Arab causes in general and the Palestinian cause in particular. We maintain principled support and backing for Syria's struggle to liberate the occupied territories. We support a just solution to your problems. We also support the idea of convening an effective international conference on the Middle East under UN auspices in order to achieve a just and permanent peace, liberate the occupied Arab territories, and restore the usurped rights of the Palestinian Arab people, including their right to self-determination and right to establish an independent state. [passage omitted]

He added: We sincerely say that the Syrian forces' entry into the southern suburb of Beirut was a necessity, since they are the only ones capable of ending Lebanon's fratricide and restoring calm and peace. [passage omitted] The Czechoslovak people strongly condemn the imperialist-Zionist policy aimed at destroying the national rights of the Palestinian people. We shall continue our solidarity with and support for the Palestinian people in their hard struggle for their objectives. We shall continue our backing for the continuing uprising in the occupied territories. We limitlessly condemn Israel's racist policy and its repressive measures against the Arab residents, since this violates international conventions. [passage omitted]

Travnicek concluded his interview by saying: Our delegation highly evaluates all the meetings held, whether with comrade party leaders, comrade front leaders, or officials. Our views were identical. It has been emphasized that there should be an exchange of expertise and experience between the organizations of the two fronts in our two friendly countries. We can confirm that there are no differences between our countries; we are working for the interests of our peoples. [passage omitted]

CSSR-Austrian Border Commission Meets

LD1106182788 Prague Domestic Service in Slovak 1000 GMT 11 Jun 88

[Text] Austria—The 26th session of the standing CSSR-Austrian Border Commission has taken place in Vienna. The participants discussed the implementation of the commitments arising from the CSSR-Austrian agreement on their common state border. They also dealt with technical arrangements for the second joint inspection and maintenance of border markers, and the bearings of triangulation points in the state border sector between Vranov nad Dyji and Breclav. The border commission also made additions to the operational land survey program for 1988.

Strougal Greets SFRY's Mikulic on Birthday

AU1406105888 Prague RUDE PRAVO in Czech 10 Jun 88 p 1

[Unattributed report in the "Receptions, Negotiations, Telegrams, Letters" column]

[Text] Prague—CSSR Premier Lubomir Strougal sent a congratulatory telegram to Branko Mikulic, president of the SFRY's Federal Executive Council (FEC), on the latter's 60th birthday.

Jakes, Husak Send Condolences to Cuba

AU1406105088 Prage RUDE PRAVO in Czech 11 Jun 88 p 1

[CTK report: "Condolences to Cuba"]

[Text] Prague—Milos Jakes, CPCZ Central Committee general secretary, and Gustav Husak, CSSR president, sent a telegram of condolence to Fidel Castro Ruz, first

secretary of the Central Committee of the Communist Party of Cuba (PCC) and chairman of the Council of State and Council of Ministers of the Republic of Cuba, in connection with the natural disaster which afflicted certain areas of the country a few days ago.

Chnoupek Pays Official Visit to Cuba

For reportage on Foreign Minister Bohuslav Chnoupek's official visit to Cuba, including his talks with Isidoro Malmierca, member of the Communist Party of Cuba Central Committee and minister of foreign relations, see the Cuba section of the 14 June Latin America DAILY REPORT and subsequent issues.

'Sumava 88' Military Exercise Ends 10 Jun

AU1406114588 Prague RUDE PRAVO in Czech 10 Jun 88 p 2

[CTK report: "Exercise of the Czechoslovak People's Army Has Ended; It Proceeds in Line With the Stockholm Document"]

[Text] Cesky Krumlov—The 2-day "Sumava 88" tactical exercise of two motorized infantry divisions of the Czechoslovak People's Army culminated this Thursday [9 June] in the Boletice military training area in southern Bohemia.

In view of the fact that more than 17,000 members of the Czechoslovak People's Army have been concentrated together with their combat technology in the military area since Tuesday [7 June], 36 observers from 19 CSCE signatory countries have been observing their activities for the last 3 days, in keeping with the Stockholm Document.

On Thursday [9 June] the observers visited eight observation positions, where "they saw all the decisive and important stages of the exercise. On Wednesday [8 June] they were able to observe—for the first time during an exercise on CSSR territory—troop activities and important troop transfers also at night time. During an overall briefing and a helicopter flight they could also convince themselves that the exercise had been prepared in accordance with the Warsaw Pact's defensive doctrine and that its nature is not offensive," Major General Zdenek Kac, representative of the Federal Ministry of National Defense, confirmed to a CTK reporter. When talking to Czechoslovak journalists, FRG observer Lieutenant-Colonel Henning Spies confirmed his satisfaction both with the organization of observation activities, and with the hospitality extended to observers. "We gladly accepted the Czechoslovak Government's invitation to take part in the exercise; we think that the Stockholm Document and its practical implementation represent a step forward," he said.

U.S. Colonel Richard Buckner also briefly expressed his views on the observation conditions; he told the Czechoslovak generals that "everything is absolutely in order." The "Sumava 88" exercise will end on Friday [10 June].

Further Report

AU1406114788 Prague RUDE PRAVO in Czech 11 Jun 88 p 1

[CTK report: "'Sumava 88' Exercise Concluded"]

[Text] Prague—The "Sumava 88" exercise of the ground forces of the Czechoslovak People's Army was held on 6-10 June 1988 under the command of deputy commander of the western military district. The tasks carried out during the exercise were aimed at perfecting the troops' field training. The troops involved in the exercise are now returning to their permanent garrisons; some units began their transfer to permanent garrisons already on Friday [10 June] morning.

In line with the final document of the Stockholm conference, the exercise operations were observed by 36 observers from 19 CSCE signatory states; they concluded their observation activities on Friday [10 June] afternoon.

Colonel General Miroslav Vacek, first deputy minister of national defense, took leave of the observers on behalf of the command of the Czechoslovak People's Army.

Lieutenant Colonel John Maynard from Britain was one of the people interviewed by the Czechoslovak journalists during the course of the exercise. He said, inter alia: I am satisfied with the organization and hospitality, which had (traditionally) very high standards. We were able to observe a very wide scope of military activities and also to speak with the Czechoslovak soldiers on duty. I was most impressed by their enthusiasm and good cheer, even when there was a lot of mud. We also could talk to commanders up to regimental level, but not with divisional commanders—perhaps this will come later. Generally speaking, I regard you as a country adhering to the spirit and letter of the Stockholm Document.

Agenda of 9 Jun Government Session

AU1406131288 Prague RUDE PRAVO in Czech 10 Jun 88 p 1

[CTK report: "CSSR Government Convened; Draft of State Concept on Environmental Enhancement and Protection and on Rational Use of Natural Resources to be Complemented by Suggestions Voiced in the Discussion; Improved Training of Scientific Staff, Awarding of Scientific Degrees Discussed; Findings of People's Control Committee as Basis of CSSR Government Decision to Set Up Special Temporary Commission for Assessing Uncompleted Construction Projects; All New Building Projects to be Similarly Checked"]

[Text] Prague—This Thursday [9 June] the CSSR Government discussed the draft of the state concept on environmental enhancement and protection, and on the

rational use of natural resources in Czechoslovakia. Background material for these deliberations was provided by the draft of the state concept for the entire federation, by the corresponding concepts for the two national republics, and by the guideline program for the most significant ecological construction projects of the Ninth 5-Year Plan.

An extensive discussion by all government members confirmed that they fully realize how essential it is to strikingly improve the ecological situation, particularly around Prague and in the north Bohemian region. The steadily growing investments in environmental protection within the framework of (successively) the Seventh, Eighth, and Ninth 5-Year Plans correspond to this. However, it is also essential to simultaneously create (within the framework of restructuring our economic mechanism) an economic system which would unambiguously evaluate expenditures for the use of natural resources in production and other operations. It is also imperative to amend ecology-related legislation. That is why the government instructed Deputy Premiers Jaromir Obzina and Svatopluk Potac to submit, by the middle of July, (in cooperation with the premiers of both national governments, Ladislav Adamec and Peter Colotka) another draft of this concept, which would include suggestions and ideas voiced during the discussion and which would contain an analysis of how the investment means set apart for ecological purposes are used in the present quinquennium and what provisions have been made for the design, construction, and technology of these construction projects. The government also issued the instruction that the draft concept should contain the envisaged environmental protection measures up to 1995, and specific directives to carry them out.

Furthermore, the CSSR Government dealt with improvements in training the scientific staff and with the awarding of scientific degrees in keeping with scientific-technical development. It took note of the measures agreed by state administration agencies to deepen interbranch cooperation in this sphere, and instructed the chairman of the Czechoslovak Academy of Sciences to coordinate the central management of scientific training and the enhancement of the scientific staff's qualifications.

In the course of its deliberations, the government also heard the report of the CSSR People's Control Committee on the results of checking on 17 specific investment projects within the Eighth 5-Year Plan and on five construction projects prepared for inclusion in the Ninth 5-Year Plan. The report was augmented by the knowledge gained by the State Commission for Scientific-Technical and Investment Development in cooperation with the State Planning Commission and the Czechoslovak State Bank in checking on 69 out of the total of 336 construction projects still under construction on 30 June 1987. The People's Control Committee proved (by the example of specific projects) how ill-considered the preparation of certain investment projects is, and how inadequate their technical standards and quality are; this could further diminish the effectiveness of invested means. Since the measures taken to date have proved to be scarcely effective, the government decided to set up a special temporary CSSR Government Commission under the auspices of the State Commission for Scientific-Technical and Investment Development, to check on the specific construction projects included in the state plan which are still under construction. By the end of October 1988, it should submit to the CSSR Government recommendations on whether these projects should be continued or discontinued and, if so, how one could use them more effectively. All the new construction projects within the Eighth 5-Year Plan will be checked in a similar manner, so as to acquire an objective proof of their economic effectiveness.

The government discussed preparations for the coming 28th session of the intergovernmental Czechoslovak-Soviet Commission for Economic and Scientific-Technical Cooperation; approved the proposal on further negotiations between the CSSR and the United Kingdom of Great Britain and Northern Ireland on the treaty preventing the double taxation of incomes; agreed with the proposed CSSR approach to the accord on psychotronic [psychotronni] substances; and was briefed on the results of the 43d plenary session of the UN European Economic Commission and on certain other matters.

Jakes Closing Speech to Art Unions

AU1306192088 Prague RUDE PRAVO in Czech 11 Jun 88 p 6

[Report on closing speech by Milos Jakes, general secretary of the CPCZ Central Committee, at a meeting with leading representatives of CSSR art unions in the Palace of Culture in Prague on 7 June]

[Text] In his closing speech, at a meeting with leading representatives of CSSR art unions, Comrade Milos Jakes praised the pragmatic and creative tone of the discussion, which expressed full support for CPCZ policy, the line of restructuring and democratization of society, and affirmed the determination of the art unions to take an active part in its realization. He also underscored the frank atmosphere of the deliberations. Problems and shortcomings were discussed, and the lack of solutions or inadequate solutions to some problems were criticized. Comrade Milos Jakes assured those present that the appropriate departments of the CPCZ Central Committee, ministries, and other state and economic bodies will deal with the recommendations, demands, and concrete proposals when seeking positive answers.

Today's session, Comrade Jakes said further, carried out a concise analysis of the activity of art unions after their congresses last year. It is correct that you are not satisfied with the results. The demands of the times require us to activate our approaches everywhere; we must not stand still. In view of the ongoing developments, we must

incessantly complement and concretize the task we undertook yesterday and, in particular, more energetically organize the struggle for the implementation of our decisions.

It was correctly stressed here that the art unions, too, must undergo restructuring. What is involved is a more profound democratization of their life, concentration of attention on high quality and ideological aspects of artistic activity and, also, on the power of emotional effects of works of art, and on strengthening the social and civic responsibility of artists and cultural workers.

Milos Jakes described the unification of the broad creative potential of our country in the interest of the further development of socialist society and the spiritual life of the people as being an exceptionally important task. Art unions must actively contribute to its fulfillment by their ideological influence, especially by strengthening it among young artists. In ideology, and Comrade Fojtik has already spoken about that, we must not let ourselves be pushed to being defensive. We must not defend ourselves all the time against something or someone. Therefore we put stress on enhancing the effectiveness of our ideological activity, on its offensiveness. That means being able to correctly judge what has been done and to make use of the experience acquired in practice. In this, too, the art unions and, above all, Communists and party groups, must play a more active role.

Some participants in the discussion voiced certain concern about whether the self-financing of enterprises might not be to the detriment of the development of culture and the arts. In answer to this, Milos Jakes said: I agree that a certain temporary phenomenon might occur when enterprises will refuse providing resources for various nonproduction affairs, including those connected with culture and the arts. But I stress once more that the main purpose of our economic policy, in the broad sense of the word, is its social orientation, including the support of culture, education, and the such. Economic resources, the created national income will be made purposeful use of to ensure these social needs.

Comrade Milos Jakes also spoke about the passivity and indifference of a part of society and the tasks of the Communists in overcoming them. In this connection he noted that a very aggressive campaign is being waged against us from the West as well as by the domestic enemies of socialism. They interpret restructuring as creating room for their drive to continue where they stopped in 1968. We must prove to them that they are mistaken by winning the support of the absolute majority of the people for our line of restructuring on socialist principles. We cannot knock out various excesses or even antisocial actions by administrative means, orders, or bans. Our party, the party organizations, the Communists, and all honest citizens must demonstrate their abilities here. We must go on the offensive against passivity, not retreat before that problem, be really active participants in restructuring with clearly defined standpoints on individual issues. We must clearly express what we want to do and implement our plans immediately, Comrade Milos Jakes said. If we, the Communist Party, and the overwhelming majority of society dedicated to socialism, do not do it, someone else will, someone who does not want to build but wants to smash our society. Therefore, we must not ignore a single important question concerning our political life. We must provide answers. That is why we are practicing open policy, broadening the flow of information to the public as an instrument of ideological struggle for our truth. Should we vacate positions, should we approach asserting socialist principles with timidity and people discover that we are maneuvering, that we do not have clear standpoints, then we must not count on their support, Comrade Milos Jakes stressed. This fully applies to the work of the art unions, too.

The discussion also touched upon the necessary cooperation among art unions, Comrade Milos Jakes said further. I think that there is great strength in precisely this cooperation. It was said here that we must coordinate the activity of the unions, frequently even pool resources and make jointly use of them. This collective approach multiplies our strength. Departmentalism is harmful anywhere, and in culture and the arts too it weakens and reduces their effect. In that sense our meeting today is of great importance. It was an opportunity to exchange views and experience, agree on ways to resolve problems. Comradely, informal cooperation best serves the arts, their effect among the citizens of our country as well as presenting them to the world. In this connection Comrade Milos Jakes reacted to reminders in the discussion that formerly artists aktivs used to be held. We will have to properly ponder this, he said. Involved are aktivs not only on the function and the role of the arts and culture, but also on the political situation in the country, so that artists would be adequately armed, exchange views, and unite their course aimed at a consistent implementation of the national tasks of the art unions.

Milos Jakes, general secretary of the CPCZ Central Committee, thanked all leading representatives of the unions for their active approach to the deliberations, for their suggestions and recommendations, as well as for their support for the policy of the party. He wished the workers of the sector of culture and the arts many creative successes and firm health.

Debate on Art Unions Held

AU1406153688 [Editorial Report] Under the headline "We Need a Truthful Art, Reflecting Real Life," Prague RUDE PRAVO in Czech on 11 June on page 5 carries a 2,400-word unattributed report on statements made by leading representatives of CSSR art unions at their meeting with Milos Jakes, general secretary of the CPCZ

Central Committee, Jan Fojtik, member of the Presidium and secretary of the CPCZ Central Committee, and other party and state officials in the Palace of Culture in Prague on 7 June.

Jirina Svorcova, chairman of the Czech theater, cinema, and television artists' union, who was the first to take the floor, is said to have "drawn attention to the fact that the resolution of the CPCZ Central Committee Presidium stipulating that the art unions have the right to deliver their opinion on basic legislative and cadre issues in the field of culture is not being respected." She is also said to have spoken about the difficult situation of most regional theaters, "from which stems the lack of interest on the part of young artists to work on stages outside Prague," and about "some problems arising from the incoherent application of the principles of cultural policy in districts and regions." Finally, Svorcova reportedly also spoke about "the necessity of maintaining and renewing continuity in the development of our cinematography and about the need to differentiate healthy efforts in this regard from attempts to negate the works created over the past 20 years."

Pavol Zibrin, chairman of the CSSR Architects' Union, is said to have criticized the "lack of response" to the efforts of CSSR architects to improve the quality of housing. He is quoted as having said that "the proposals drawn up by the union, aimed at necessary changes in the methodology of planning, in financing, and in the creation of material and technical provisions, have not yet been accepted by government agencies" and that the "attempts to interpret design institutes as large technological workshops or even design factories account for the tendency among nonmembers of the union to break up socialist project design and to turn to private designing activity."

Jan Solovic, chairman of the Slovak Writers' Union, is said to have spoken about the "low demands" on television productions and about the penetration of Czechoslovak literature abroad. Speaking on the latter subject, Solovic reportedly "showed, citing as an example the intended renewal of Czechoslovak membership in the PEN club, that we cannot avoid open clashes with emigre literature, which does not live off artistic values but of aversion to Socialist Czechoslovakia."

Ivan Skala, chairman of the Czech Writers' Union, is said to have criticized in his statement the "onslaught" of vulgar, commercial music. He is also quoted as having said: "There is much talk about new thinking today. I believe that it cannot be understood other than as the restoration and development of Leninism and Leninist norms. Some people, however, understand it as liberalism that is devoid of any principles. They understand it to mean, simply, that everyone can do what he pleases and that people and cultural creations that are alien to socialism should be integrated into socialism." Skala is also said to have stressed that "any plurality of views can only be a plurality within the framework of socialism, and not outside it."

According to the RUDE PRAVO report, Jan Kozak, chairman of the Czechoslovak Writers' Union, "conducted polemics with the view, recently expressed in [the writers' union weekly] KMEN, that, when it comes to the export of culture and the arts, our literature has nothing to offer and stated that our foreign partners are much more active in propagating their literature than Czechoslovak institutions."

Film director Jiri Sequens is said to have vented his "concern about continuity in creative work" and to have "expressed the conviction that restructuring of the socialist society must remain in the hands of Communists."

Similar concern has reportedly been expressed by Michal Cernik, secretary of the Czech Writers' Union, who "stressed the need for programmatic unity within the union, especially in connection with some tendencies that confuse the process of democratization with the opening of space for enemies of socialism and for the questioning of values."

The remaining participants in the debate quoted in the RUDE PRAVO report spoke, among other things, about the material conditions for the work of artists and about their social problems (such as the absence of a pension insurance for artists without regular employment or the calculation of royalties, which allows only 8 to 10 percent of writers to live by writing); about the problem of artistic titles and awards and the difficulties encountered by young artists in "asserting themselves"; about trends toward the commercialization of cultural life; the inadequate "aesthetic education" provided by Czechoslovak schools; and the shortage of adequate concert halls.

Private Enterprise in Czech, Slovak SR's

AU1406204488 [Editorial Report] Bratislava PRAVDA in Slovak on 8 June and Prague MLADA FRONTA in Czech on 9 June carry commentaries on the state of paid services to the population, provided by private citizens in the Slovak and Czech SR's on the basis of permits issued by national committees. It appears that far more Slovak citizens are interested in such permits than Czech citizens, who regard them with "distrust."

The 1,000-word Peter Ondera commentary, published by Bratislava PRAVDA on page 2 in the "We Comment" column and entitled "Contradiction Between Applications and Possibilities," states that "the desirable radical change" in services provided by private citizens in Slovakia "has not yet materialized," despite a certain progress and "although the number of people working in small workshops of the national committees has increased from less than 11,000 in 1982 to 15,500 in

1987. In the same period the number of permits issued to citizens has doubled, so that last year already 6,704 people held a permit to provide paid services." However, he adds, the activities of small workshops "have not developed in the socially desirable direction." Although most of their takings should come from private citizens (and not from socialist organizations), in 1986 these takings amounted to 26.9 percent of their overall output, and in 1987 to only 25.4 percent. "The situation is similar with regard to the number of permits issued," Ondera goes on to say. Although Slovakia has three times as many permits per 10,000 citizens as the Czech SR, the small workshops holding the permits prefer to work for socialist organizations (since this is "economically more profitable"), instead of for private customers. It is true that their work enables rural national committees to complete many projects in which larger construction organizations are not interested, Ondera states, but "this is a vicious circle."

Although many citizens are interested in making use of the decree issued by the Slovak Government in February 1988 on the sales of goods and provision of services on the basis of national committee permits, the decree has not led to the desirable results, Ondera states, because many national committees still do not properly know how to apply it and "are too suspicious and overcautious in their approaches." Ondera notes that the daily is receiving many complaints about "the unwillingness of national committees to issue permits for fear of creating modern millionaires—but also because their staff is obviously insufficiently informed and knowledgable." In conclusion, he states that many national committee chairmen have been pointing out that the individual passages of the decree are unclear on many points.

The 500-word Petr Sabata commentary, published by MLADA FRONTA in the "Commentary" column and entitled "Again From Father to Son?", is based on statements made by Engineer Frantisek Dusek, head of the local industry and services sector of the Prague National Committee, at a Prague press conference on 8 June. Up to that date, 1,600 permits had been issued, and the figure is expected to rise to 2,000 by the end of June, it was stated there. "This is definitely not enough," Sabata says, and asks: "Why are so few people interested in providing services?" F. Dusek is said to have attributed this to the abolition of private services many years ago, when the ancient traditions of tradespeople, handed over from father to son, were disrupted. The result is that "today some people do not trust us yet, and are waiting for developments," Dusek is quoted as saying.

In discussing "ways to convince people with the prerequisites for honest work and good quality services" to apply for a permit, he is said to have noted that one must have "a suitable taxation system" for these services (it should be ready by the end of 1988) and the national committees should adopt "a good system of control and a serious approach to the issuance of permits." According to him, the lasting "stumbling block is the access to raw and other materials and to spare parts—in fact, it is not right to issue 'only' a permit, leaving it for the citizen to find ways to get them as he knows how." Dusek is said to have announced plans to open a shop selling the above materials to permit-holders in Prague; and to have expressed the hope that "trade would again be handed down from father to son."

Austrian Chancellor Vranitzky Arrives 14 Jun

LD1406171688 East Berlin ADN International Service in German 1620 GMT 14 Jun 88

[Excerpts] Berlin, 14 Jun (ADN)—Dr Franz Vranitzky, chancellor of the Republic of Austria, arrived in Berlin this afternoon for a 3-day official visit to the GDR.

He is taking up an invitation from Erich Honecker, general secretary of the SED Central Committee and Chairman of the GDR State Council, who cordially welcomed his guest at Berlin's Schoenefeld Airport. [passage omitted]

Present at this first meeting of the two statesmen were Foreign Minister Oskar Fischer and GDR Ambassador to Austria Klaus Wolf.

Dr Franz Vranitzky then introduced the members of his entourage, who were welcomed equally cordially, to Erich Honecker.

They include Dr Rudolf eicher, federal minister for transport and nationaliz industries; Ambassador to the GDR Dr Franz Wunderbaldinger; Commercial Counselor Ingrid Tichy-Schreder, deputy of the lower house and vice president of the Federal Chamber of Industry; Ministerial Counselor Dr Josef Tschach, section head in the Ministry of Economic Affairs; Senior Executive Ulrich Stacher, head of the section in the Federal Chancellor's Office for the coordination of affairs; ministerial counselor Hans Nigisch, head of the Protocol Department of the Federal Chancellor's Office; Dr Johann Sereinig, head of the Federal Chancellor's Cabinet; Legate Dr Eva Nowotny, foreign policy adviser to the federal chancellor; Legate Dr Ernst Sucharipa, head of the East Department of the Federal Foreign Ministry; and other personages.

A delegation of Austrian industry comprising general directors, managing directors, and directors of state enterprises, banks, and industrial companies, arrived with the state guest. Soon afterward, Dr Franz Vranitzky was welcomed by GDR Council of Ministers Chairman Willi Stoph, and by SED Central Committee Politburo members Hermann Axen, chairman of the People's Chamber Foreign Affairs Committee; Egon Krenz, deputy chairman of the Council of State; Werner Krolikowski, first deputy chairman of the Council of Ministers, and Guenter Mittag, deputy chairman of the Council of State. [passage omitted]

Meets With Honecker

LD1406221888 East Berlin ADN International Service in German 1905 GMT 14 Jun 88

[Text] Berlin, 14 Jun (ADN)—Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State, and Dr Franz Vranitzky, federal chancellor of the Republic of Austria, had a first friendly meeting this evening. The talk, which took place in Niederschoenhausen Castle, the guest's residence, focused on questions of cooperation between the two countries and the latest developments in international politics.

The two partners in the talk praised the high level of bilateral relations reached, which had a stabilizing influence on the overall European climate. These relations, Erich Honecker said, are an example of how constructive cooperation between states with different social systems could be shaped in the common European house in the interests of safeguarding peace and mutually advantageous cooperation. The two statesmen spoke in favor of cultivating and further developing what has been achieved in relations.

Erich Honecker and Dr Franz Vranitzky both expressed the view that the vital issues of the present can be solved only by constructive and trusting collaboration of the states and not by confrontation. They welcomed the results of the Moscow summit between CPSU Central Committee General Secretary Mikhail Gorbachev and U.S. President Ronald Reagan. This path of safeguarding peace, dialogue, and disarmament must be continued. The ambassadors of the two countries, Klaus Wolf and Dr Franz Wunderbaldinger, took part in the talk, which was held in an open atmosphere.

Spokesman Comments on CEMA-EEC Relations

LD0906185288 East Berlin ADN International Service in German 1600 GMT 9 Jun 88

[Text] Berlin, 9 Jun (ADN)—The establishment of official relations between CEMA and the EEC is regarded in the GDR as a gain for more stability and dynamism in international relations. These relations serve the development of mutually beneficial economic and scientific-technological collaboration on the basis of equal rights between East and West, as well as the creation of an atmosphere of trust and good-neighborliness in Europe. This was stated by GDR foreign ministry spokesman ambassador Wolfgang Meyer, in Berlin on Thursday. The declaration agreed between the two economic organizations is based on the spirit and principles of the CSCE Final Act and opens up new opportunities for constructive cooperation in various spheres.

As Ambassador Meyer stressed, the initiation of relations between CEMA and the EEC is a thoroughly timely step. The growing mutual dependence of economies and rapid scientific-technological progress demand more stability and dependability and new forms of economic cooperation. These must be based on the foundation of equal rights and mutual advantage.

At present, now that the first agreement on nuclear disarmament has come into force, better conditions are resulting for the development of economic and trade relations to the benefit of the peoples. The GDR intends to contribute to this. The speaker reported that on 9 June 1988 a note was handed to the EC Commission which

signalled the readiness of the GDR Government to take up diplomatic relations with the EC and to have an ambassador accredited to the European Communities.

Axen Interviewed on Nuclear-Free Zones Meeting

AU0906135688 East Berlin HORIZONT No 6/1988 in German p 3

[Interview with Hermann Axen, Politburo member, SED Central Committee secretary, and secretary of the National Preparatory Committee for the Berlin meeting: "20-22 June 1988—International Meeting for Nuclear-Free Zones"—date and place not given]

[Text] HORIZONT: How does the Berlin International Meeting for Nuclear-Free Zones fit into the international efforts of our time to preserve peace?

Hermann Axen: The idea of holding an International Meeting for Nuclear-Free Zones in Berlin, the city of peace, this year, was—as is known—presented and substantiated by Comrade Erich Honecker at the conference of 178 parties and organizations in Moscow on the occasion of the 70th anniversary of the Great October Socialist Revolution, on 4 November 1987.

The worldwide support for our initiative proves that it is no exaggeration to note that such a meeting is topical for international politics and valuable for the cause of peace. Now that nuclear disarmament has been started with the Soviet-U.S. Treaty on the Elimination of Intermediate- and Shorter-Range Missiles, now that Mikhail Gorbachev and Ronald Reagan agreed on the drawing up of a treaty on the 50-percent reduction of the strategic offensive weapons of the USSR and the United States, the people's efforts are aimed at doing everything possible so that these achievements are not negated because of renewed armament in other countries or of other weapons systems. Our planet, and in particular Europe, is crammed full of nuclear weapons, which can destroy mankind and nature. "The fear of the bomb" still dominates the life of the people on earth to an unbearable degree. The demand to have the first disarmament steps followed by others, not at some future time but in direct continuation of the results of Washington and Moscow, is characteristic of the striving for peace of the peoples in East and West, and in North and South.

The disarmament process must not pause or stagnate as is desired by the forces that oppose detente and are obsessed with armament. Any path leading to a nuclear-free, peaceful world must be followed. The establishment of nuclear-free areas, zones, and corridors takes us all a huge step closer to the bold vision of entering the year 2000 without the nuclear tools of the devil.

The idea of nuclear-free zones, which was already developed in the Europe of the 1950's as an alternative to the deployment of nuclear weapons on the continent at that time, has gained vitality and reality over all those past years. Agreements and treaties, such as the nuclear nonproliferation treaty, the Treaty of Tlaltelolco on the ban of nuclear weapons in Latin America, or the Treaty of Rarotonga on a nuclear-free zone in the South Pacific, stress the willingness of the people to free the world of nuclear arms.

No matter which region of the earth the political observer looks at—whether it is Europe, the Indian Ocean, the Mediterranean, Southeast Asia, the Korean peninsula, the Middle East, Africa, or the Atlantic—everywhere the peoples and states are starting varied initiatives for nuclear-free zones. These are favorable conditions for a network covering the whole earth, which would doubtlessly encourage the nuclear powers to make progress in nuclear disarmament.

To promote dialogue, understanding, and energetic work by the forces that are interested in peace in this important issue, regardless of political, social, religious, and ideological difference, is the concern of the International Meeting for Nuclear-Free Zones in our capital city this June.

HORIZONT: In your speech at the second session of the GDR National Preparatory Committee you characterized the Berlin meeting as a "new kind of world forum for peace dialogue." Why did you make this assessment?

Hermann Axen: What is new in this world forum for a peace dialogue is, first of all, the group of participants. High-ranking state representatives; parliamentary presidents; government and opposition politicians; party chairmen and general secretaries; leaders of national democratic liberation movements; representatives of trade unions, youth and women organizations, and various religious communities; peace researchers; outstanding scientists, poets, and artists; and renowned physicians have agreed to participate in the meeting. In other words, the broadest range of people and states to date will be represented.

This alone creates totally new, more comprehensive possibilities for political dialogue on preserving peace on earth and in space. The meeting is open to any proposal, any suggestion from the participants that relates to the topic of nuclear-free zones.

Of course, we will also welcome to the meeting political forces that have reservations concerning the usefulness and necessity of nuclear-free zones and want to make use of this opportunity to explain their standpoints. This is part of a free, open dialogue as it has to be pursued today. If all the world already agreed on the establishment of nuclear-free zones, such a meeting would be superfluous.

All in all, one can say that a broad international discussion on the meeting's concern is under way.

HORIZONT: A large number of reports by international news agencies gives evidence every day to the worldwide response to this initiative. Even though it is still almost 3 weeks until the opening of this meeting, could you already give us an overview of the current state of preparations and the acceptances you have already received?

Hermann Axen: The applications for participation which we have received up to now, and which are, of course, still incomplete, show that we have to expect participants from the great majority of all countries on earth.

Taking into consideration all thoughts and ideas that have been expressed to date, we submit the following suggestions:

—On 20 June, the first day of the meeting, a plenary session will take place. Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, the initiator of this world forum, will open the meeting. We have received applications from various renowned personalities from all over the world to take the floor at this forum and before the world public.

—On the second day, 21 June, nine committees on specific topics could hold their sessions. We have included corresponding proposals with our invitations. In the evening of this second conference day we have scheduled a panel discussion on the joint initiatives of the SED, SPD, and CPCZ on a nuclear-free corridor and a chemical weapons-free zone in Europe. In this way we fulfill many wishes to get more thoroughly acquainted with the details and prospects of these initiatives.

—On the third day of the conference, 22 June, we propose to conclude the discussions of the committees. In the afternoon, a concluding plenary session of the conference could take place, where the reports of the committees are made public. I would like to stress that all speeches—both at the plenary sessions and in the committees—are equally important.

HORIZONT: Numerous answers to the invitation to participate in the Berlin meeting express extraordinarily high appreciation for the GDR's peace policy. What are the reasons for this, in your opinion?

Hermann Axen: The founding fathers—antifascists and those who fought against World War II, which had been unleashed by German imperialism—raised the GDR as a socialist state, and thus as a state of peace, from its cradle.

Safeguarding peace is the GDR's foreign policy doctrine. As a member of the international community, we have always considered ourselves as sharing the responsibility for peace in the world and have acted correspondingly. The GDR has always acted in accordance with the principle that only peace, and never again war, must emanate from German soil.

If you ask about the reasons for the great appreciation for the GDR's peace policy, I would like to state the following:

In the GDR there is no political or social group in society that is interested in profits from armament and that is striving for hegemony in Europe and in the world. Socialism needs, creates, and protects peace. Lasting peace through disarmament and international security is the basic condition for the GDR to implement its great plans and prospects for the further shaping of the developed socialist society. In our country workers, cooperative peasants, intellectuals, and all citizens declare their workplace to be their combat station for peace and prove this with outstanding production results. They are acting in this way because they know that the stronger socialism is, the more secure peace is. Millions of young people commit themselves to the struggle for peace, because their lives today and in the future depend on this. Women in the GDR work for peace because they defend the lives they have given.

Scientists, physicians, artists, athletes, craftsmen, small businessmen, atheists, and believers of various religions are developing their own initiatives to safeguard a peaceful future for mankind.

Thus, since its founding, the GDR has engaged in a constructive dialogue with all forces of reason and realism and is making its own, active contribution to security and peace in the world.

ND Deletes Genscher Comments on Rights, Wall

AU1406143688 Bonn DIE WELT in German 14 Jun 88 p 4

["HRK" report: "SED Omits Passages From Genscher Speech"]

[Text] Berlin—Afraid of the political impact of the speech by Foreign Minister Hans-Dietrich Genscher in Potsdam [at the Seventh Annual Conference of the New York Institute for East-West Security Studies], the SED leadership, in the Monday edition [13 June] of its central organ, omitted all passages in which Genscher referred to human rights, the German nation, the Wall, and travel restrictions. NEUES DEUTSCHLAND did not print a single one of these decisive quotations.

The Genscher speech—DIE WELT carried a detailed report—was cut off at the following point, for example: From Genscher's statements about relations between Bonn and East Berlin, the words "positive assets in East-West relations," are quoted, but the following sentence is omitted: "The relationship between the two German states is determined by their common history,

their common language, their common culture...." Genscher's reference to the required "comprehensive fulfillment of the CSCE Final Act" is quoted completely, but the conclusions from this are left out: "This requires the implementation of human rights, openness, communication, cultural exchange, travel, the possibility of emigration, the exchange of young people..." The Genscher remark about the anachronism of the "Wall and travel restrictions" has also been censored by the SED.

Shortly before the first anniversary of Ronald Reagan's speech in front of the Brandenburg Gate, U.S. Deputy Secretary of State John Whitehead, who referred to the Wall in his talks with Honecker, recalled Reagan's call to Gorbachev at the time to tear down the Wall. Whitehead gave his speech at the Checkpoint Charlie border crossing. Whitehead stated that only when the Wall has disappeared, will the Cold War really be ended. And he continued with the following words: "How will this Wall disappear? Recently Gorbachev said: 'Dismantle this Wall, which shames us. Dismantle this monument to the failure of our system!'" Looking at the Wall, Whitehead added optimistically: "Every day the fences become more shaky. Every day the concrete becomes older and more cracked."

CC Condemns Turkish Trial of Communists

LD0806170888 East Berlin ADN International Service in German 1402 GMT 8 Jun 88

[Text] Berlin, 8 Jun (ADN)—The SED Central Committee has called for a halt to the trial of Haydar Kutlu and Nihat Sargin. This trial contradicts the elementary norms of democracy and international law. The SED Central Committee called for the immediate release of the two politicians.

The SED Central Committee statement, published in Berlin Wednesday, reads: The trial of Haydar Kutlu, secretary general of the Turkish Communist Party, and of Nihat Sargin, secretary general of the Turkish Labor Party, and of the other accused persons, has begun in the state security court in Ankara.

The two politicians, who returned vuluntarily to Turkey on 16 November 1987, after long years of exile, to found a united communist party of Turkey, thus contributing to the process of democratization in Turkey announced by the government, are to be sentenced in the trial to several hundred years in prison. The accusation made against them concerns the two politicians' communist philosophy, and their active commitment to peace, democracy, and social justice. It represents an attack on all democrats in Turkey and around the world.

It outrages us that at the end of the 20th century in a European state the Helsinki Final Act and international human rights conventions are so grossly disregarded and violated.

The broad international solidarity movement—which includes Haydar Kutlu and Nihat Sargin and with which we join—reflects world protest over this anachronism.

The SED Central Committee most sharply condemns the mistreatment and torture of Haydar Kutlu and Nihat Sargin to elicit forced "confessions."

We call for an end to the trial, which contradicts the elementary norms of democracy and human rights.

We call for the immediate release of both politicians and the other accused persons.

The SED Central Committee conveys fraternal greetings of solidarity to comrades Haydar Kutlu, Nihat Sargin, and their friends and comrades.

GDR Church Congress Calls For Reforms

AU1406110088 Munich SUEDDEUTSCHE ZEITUNG in German 13 Jun 88 p 2

[Marianne Heuwagen report: "GDR Church Congress Calls For Far-Reaching Reforms"]

[Text] Erfurt, 12 June—At the GDR Church Congress in Erfurt, SPD disarmament expert Egon Bahr has appealed to the joint responsibility of both German states for the safeguarding of peace. Both German states are obliged to provide reparations to their European neighbors that result from their historic responsibility, Egon Bahr pointed out. This is why the two German states at the center of Europe take advantage of the opportunity to continue disarmament negotiations in which the remaining nuclear systems would have to be included as well. Progress in the sphere of security would have to be accompanied by progress in the human rights field, Bahr stated. However, the SPD politician warned against illusions about reunification.

Together with Erhard Eppler, chairman of the SPD Basic Value Commission and member of the Presidium of the German Evangelical Church Congress, and physicist and philosopher Karl Friedrich von Weizsaecker, Egon Bahr had been invited to attend the church congress in Erfurt. The Thueringen church congress is the second of four regional church congresses held in the GDR this month.

Apart from ecological topics, including environmental issues and energy conservation, the working groups and forums of the church congress discussed problems concerning social fringe groups, the Christians' political responsibility in society, as well as questions concerning peace and the continuation of disarmament talks. On Sunday morning [12 June] Egon Bahr addressed over 2,000 people in the Lutheran church. Asked about his attitude toward the problem of emigration, Bahr pointed out that he supports the view of the GDR church that calls on those who want to emigrate to stay in the GDR in accordance with their possibilities. Bahr noted that the GDR Government is facing a more difficult situation

than other East European governments because it has come under crossfire through the FRG's electronic media and glasnost in the East. The SPD deputy expressed the hope that it will be possible to regulate dialogue between critical people in the GDR and the government.

At the church congress, the call for an improvement of living conditions in the GDR, so that the citizens no longer want to leave the country, was repeatedly expressed. Emigration problems were not on the agenda of the church congress, but they were touched upon on the sidelines. Provost Heino Falcke, chairman of the Erfurt church congress, in his concluding service, called on the GDR organs to do everything possible so that an increasing number of persons who want to emigrate stay in the country because they want to, and that the number of those who stay because they have to will decline. The ritual of self-confirmation and self-appeasement must be broken, he stressed. Mother Church and Father State must listen to the criticism of the GDR citizens and accept it. Theologian Klaus-Peter Hertzsch from Jena also called for more openness within the church and society, and perestroyka [Russian word used] within the church. Hertzsch quoted Soviet party leader Mikhail Gorbachev, who said "that there will be no second Noah's ark."

Pastor Edelbert Richter pointed out to the participants of the working group that dealt with the joint responsibility of Christians in society, that the promise that socialist democracy will create something that goes beyond bourgeois democracy has not yet been fulfilled. The church congress was held under the motto "Going Back Leads Further Ahead." The topic "Christians and Jews," and the role of women in today's society, were also discussed.

Honecker Sends Message to Catholics' Conference
LD0206140888 East Berlin ADN International Service in German 02003 GMT 2 Jun 88

[Text] Berlin, 2 June (ADN)—Erich Honecker, general secretary of the SED Central Committee and chairman of the Council of State of the GDR, sent the following message to Dr Franco Leonori, chairman of the Presidium of the Berlin Conference of European Catholics:

On the occasion of the important 10th plenary meeting of the Berlin Conference of European Catholics I convey to you, all participants at the meeting, warm greetings and good wishes for successful work in the service of peace.

With the motto "Free of nuclear weapons by 2000 A.D.," your meeting is responsibly confronting the challenges of our time. Nuclear arming threatens the existence of all mankind. Nuclear disarmament is therefore the requirement of the present if mankind is still to have a future. Because weapons of mass destruction, once deployed, would kill Christians and Marxists without differentiation, would kill people regardless of their philosophy or religious confession, the maxim for joint action can only be: The nuclear delivery must disappear from Europe and the world. Space must remain free forever from these and all weapons.

The GDR resolutely supports the complete liquidation of all nuclear weapons, and is carrying out its own effective contributions to Europe's liberation from these weapons. How much this concern obligates us, and how determinedly we are contributing to it with generous prior concessions, is shown by the withdrawal of Soviet intermediate-range missiles from GDR territory. We allow deeds to follow our words. With full satisfaction we can say that the GDR has helped to pave the way for the treaty now ratified between the USSR and the United States on the elimination of their intermediate- and shorter-range missiles, which constitutes the commencement of nuclear disarmament.

I am in complete agreement with the aims of the Berlin Conference of European Catholics. I again put forward the emphatic demand for the complete cessation of nuclear armament, for the abolition of all nuclear weapons, and in general, for a rigorous reduction in armaments expenditure. Finances thus freed should be used for joint humanist projects, the struggle against hunger and need, against illiteracy, and for the promotion of the social and cultural progress of peoples.

An extremely important and realistic step on the path to complete nuclear disarmament would be the creation of nuclear weapons-free zones in Europe and other parts of the world. The idea of this and the relevant proposals have already become the program of a large worldwide movement. It is because of this that the forthcoming International Meeting for Nuclear Weapons-Free Zones to take place in Berlin carries special weight. I am pleased that representatives of the Berlin Conference of European Catholics will also be taking part.

Dear participants of the 10th plenary meeting, your all-European peace forum of Catholics has developed into an effective independent force in the international peace movement. The high value of a political commitment to peace, emerging from religious motivation, in the community of all people of goodwill is thereby shown, as was expected of all Catholics by Pope John XXIII, who died 25 years ago, in his encyclical "Pacem in Terris."

Pope John Paul II supports the total abolition of nuclear and chemical weapons and a large reduction in conventional arms. It is an encouraging affirmation and orientation for the Berlin conference of European Catholics. The conference finds itself in agreement with the Catholics in our country, who do recognized service for peace in family, profession and society out of a Christian love of peace and civic co-responsibility.

To all participants of the 10th plenary meeting of the Berlin Conference of European Catholics I wish a pleasant stay in our capital, the "city of peace," and much strength in the realization of the meeting's decisions.

Two Sentenced for Sale of Western Computer Parts

LD1406140588 Hamburg DPA in German 1152 GMT 14 Jun 88

[Text] Berlin (DPA)—Two young men from Weimar have been sentenced to 2 years and 7 months and 1 year and 2 months for illegally obtaining computer technology from the West and selling it at a profit in the GDR. They also had to pay a fine of M15,000 each. As the Western Information Bureau learned today from a GDR paper, the computer parts, including discs and monitors, mostly reached the two men as gift parcels. The court announced the value of the equipment as being over M700,000.

Honecker Attends Council of State Session

LD1306172088 East Berlin ADN International Service in German 1257 GMT 13 Jun 88

[Text] Berlin, 13 Jun (ADN)—Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State, today in Berlin spoke at a Council of State Session. He stressed the local assemblies' great responsibility for solving society's housing problem. It is a matter of providing the best possible living conditions with the means available in the plan. He said this in response to reports by the Grimma (Leipzig Bezirk) and Hermsdorf (Gera Bezirk) town assemblies.

Experience has shown that the deputies' committed, imaginative work in close coordination with citizens can make a considerable contribution to the housing construction program. Honecker said that the most visible progress can be seen where local factories and cooperatives fully utilize their potential by making local contracts. This is a matter of every town and community giving increased support to citizens' initiatives in maintaining and modernizing existing housing. The assemblies' housing allocation plans must be publicly checked and accounted for.

A report on combating crime in 1987 was also on the agenda. The report concluded that criminal prosecution had been rigorously carried out and that the GDR's social order and citizens' rights had been reliably protected.

Leaders' Public Appearances 5-18 May

AU2005152488 [Editorial Report] East Berlin NEUES DEUTSCHLAND in German from 6 to 19 May reports the following public appearances of GDR leaders (date and page of publication in parentheses):

The following GDR leaders attended a festive event to mark the 43d anniversary of the liberation from Hitlerite fascism in Berlin on 6 May: members and candidate members of the SED Central Committee Politburo Horst Dohlus, Kurt Hager, Joachim Herrmann, Werner Jarowinsky, Heinz Kessler, Egon Krenz, Werner Krolikowski, Erich Mielke, Erich Mueckenberger, Alfred Neumann, Harry Tisch, Inge Lange, and Gerhard Schuerer. (7-8 May, p 1)

The following GDR leaders attended a wreath laying ceremony on the occasion of the 43d anniversary of the liberation from Hitlerite fascism in Berlin on 9 May: members and candidate members of the SED Central Committee Politburo Horst Dohlus, Kurt Hager, Joachim Herrmann, Werner Jarowinsky, Heinz Kessler, Egon Krenz, Werner Krolikowski, Erich Mielke, Erich Mueckenberger, Alfred Neumann, Harry Tisch, Inge Lange, and Gerhard Schuerer. (10 May, p 1)

Willi Stoph, chairman of the GDR Council of Ministers, met with Joseph Sinde Warioba, prime minister and first deputy president of the United Republic of Tanzania, in Berlin on 10 May. (11 May, pp 1, 3) Willi Stoph received Ricardo Walter Stubbs Vega, ambassador extraordinary and plenipotentiary of the Republic of Peru to the GDR, for a farewell visit in Berlin on 18 May. (19 May, p 2)

Hans-Joachim Boehme, Politburo member, secretary of the SED Central Committee, and first secretary of the Halle Bezirk leadership, received a delegation from the Swiss Labor Party, headed by General Secretary Jean Spielmann, in Halle on 16 May. (17 May, p 1)

Horst Dohlus, Politburo member and secretary of the SED Central Committee, met with Karel Hoffmann, member of the Presidium and secretary of the CPCZ Central Committee, in Karl-Marx-Stadt on 5 May. (6 May, p 2)

Werner Eberlein, member of the SED Central Committee Politburo and first secretary of the Magdeburg Bezirk leadership, received USSR Prosecutor General Aleksandr Rekunkov, in Magdeburg; date not given. (16 May, p 2)

Kurt Hager, chairman of the People's Chamber Public Education Committee, Politburo member, and secretary of the SED Central Committee, received Juergen Moellemann, FRG Minister of Education and Science, in Berlin on 17 May. (18 May, p 1) Kurt Hager attended a reception given by Otto Braeutigam, head of the Permanent FRG Mission in the GDR, in Berlin on 18 May. (19 May, p 2)

Joachim Herrmann, Politburo member and secretary of the SED Central Committee, personally presented birthday congratulations to Manfred Gerlach, chairman of the Liberal Democratic Party of Germany, in Berlin on 9 May. (10 May, p 1)

Egon Krenz, Politburo member and secretary of the SED Central Committee, received USSR Prosecutor General Aleksandr Rekunkov in Berlin on 10 May. (11 May, p 2) Egon Krenz conferred the Karl Marx Order on the Workers' and Peasants' Inspectorate in Berlin on 13 May. (14-15 May, p 2) Egon Krenz received Moses Jackson Mvenge, ambassador extraordinary and plenipotentiary of the Republic of Zimbabwe, for a farewell visit in Berlin on 18 May. (19 May, p 2)

Inge Lange, candidate member of the SED Central Committee Politburo, attended a reception given by Erik Christian Selmer, ambassador extraordinary and plenipotentiary of the Kingdom of Norway to the GDR, in Berlin on 17 May. (18 May, p 2)

Siegfried Lorenz, member of the SED Central Committee Politburo and first secretary of the Karl-Marx-Stadt Bezirk leadership, attended a festive event marking the 170th anniversary of Karl Marx's birth in Karl-Marx-Stadt on 5 May. (6 May, p 2)

Werner Jarowinsky, member of the SED Central Committee Politburo, and Gerhard Schuerer, candidate member of the SED Central Committee Politburo and deputy chairman of the GDR Council of Ministers, attended a reception given by Pavel Sadowsky, CSSR ambassador extraordinary and plenipotentiary to the GDR, in Berlin on 5 May. (6 May, p 2)

Werner Krolikowski, first deputy chairman of the GDR Council of Ministers and member of the SED Central Committee Politburo, received Janos Hoos, chairman of the National Planning Office of the Hungarian People's Republic, in Berlin on 12 May. (13 May, p 4)

Inge Lange, candidate member of the SED Central Committee Politburo, attended the Erfurt Bezirk conference of female peasants in Erfurt on 5 May. (6 May, p 3)

Erich Mueckenberger, member of the SED Central Committee Politburo and president of the GDR-Soviet Friendship Society, headed a meeting of the Central Executive Committee of the GDR-Soviet Friendship Society in Berlin on 13 May. (14-15 May, p 2) Erich Mueckenberger attended wreath laying ceremonies at the Memorial for the Fallen Soviet Heroes, at the Ernst Thaelmann Memorial, and at the Memorial for the Victims of Fascism and Militarism in Berlin on 13 May. (14-15 May, p 2)

Gerhard Mueller, candidate member of the SED Central Committee Politburo, attended the opening of the Lithuanian Friendship Week in Erfurt on 11 May. (12 May, p 2)

Margarete Mueller, candidate member of the SED Central Committee Politburo, attended a meeting of chairwomen of agricultural producer cooperatives in Berlin on 6 May. (7-8 May, p 6) Margarete Mueller attended an exchange of experiences at the College for Agricultural Production Cooperatives in Meissen on 13 May. (14-15 May, p 2)

Alfred Neumann, member of the SED Central Committee Politburo and first deputy chairman of the GDR Council of Ministers, received Helena Pesola, minister of social affairs and health of the Republic of Finland, in Berlin on 11 May. (12 May, p 4) Alfred Neumann received Vladimir Blazek, CSSR minister of Transportation, in Berlin on 18 May. (19 May, p 3)

Horst Sindermann, member of the SED Central Committee Politburo and president of the GDR People's Chamber, received Karl-Heinz Boehm, chairman of the foundation "People for the People" in Berlin on 10 May. (11 May, p 2)

Harry Tisch, member of the SED Central Committee Politburo and chairman of the FDGB National Executive Council, attended a trade union aktiv meeting at the Berlin Academy on 5 May. (6 May, p 2) Harry Tisch received Clemence Joseph Rwegasira, general secretary of the National Trade Union Federation of Tanzania, in Berlin on 12 May. (13 May, p 3)

Werner Walde, candidate member of the SED Central Committee Politburo and first secretary of the Cottbus Bezirk leadership, attended a wreath laying ceremony to mark the 50th anniversary of the killing of communist youth functionary Artur Becker in Berlin on 16 May. (17 May, p 1)

Leaders' Public Appearances 19-25 May

AU2705141988 [Editorial Report] East Berlin NEUES DEUTSCHLAND in German from 20 to 26 May reports the following public appearances of GDR leaders (date and page number of publication in parentheses):

The following GDR leaders attended the final of the international peace cycle race in Berlin on 23 May: members and candidate members of the SED Central Committee Politburo Horst Sindermann, president of the People's Chamber; Joachim Herrmann; Egon Krenz; Werner Krolikowski, first deputy chairman of the GDR Council of Ministers; Guenter Schabowski; and Inge Lange. (24 May, pp 1, 2)

Willi Stoph, chairman of the GDR Council of Ministers, received Wahed Abdul Baba Jan, ambassador extraordinary and plenipotentiary of the Republic of Afghanistan to the GDR; and Moses Jackson Mvenge, ambassador extraordinary and plenipotentiary of the Republic of Zimbabwe to the GDR, for farewell visits in Berlin on 24 May. (25 May, p 2)

Hermann Axen, Politburo member and secretary of the SED Central Committee Politburo, attended a reception given by Alfredo C. Pons Benitez, in Berlin on 24 May. (25 May, p 2)

Army General Friedrich Dickel, minister of the interior and chief of the German People's Police, attended a conference on fire protection in Kuehlungsborn; date not given. (20 May, p 2)

Werner Eberlein, member of the SED Central Committee Politburo and first secretary of the Magdeburg Bezirk leadership, attended the opening of the Third Friendship Festival between the youth of the GDR and Cuba in Magdeburg on 19 May. (20 May, pp 1, 2) Werner Eberlein and Guenter Kleiber, member of the SED Central Committee Politburo and deputy chairman of the GDR Council of Ministers, addressed a training course for leading cadres, organized by Army General Heinz Kessler, member of the SED Central Committee Politburo and minister of national defense, in Berlin on 20 May. (21-22 May, p 2) Werner Eberlein attended a dinner hosted by GDR Foreign Minister Oskar Fischer on the occasion of the 25th anniversary of the founding of the OAU and African Liberation Day in Berlin on 24 May. (25 May, p 6)

Werner Felfe, Politburo member and secretary of the SED Central Committee, received Ignaz Kiechle, FRG minister of food, agriculture, and forestry, in Berlin on 24 May. (25 May, p 2) Werner Felfe discussed the drought situation with peasants and workers from the Birkenholz Cooperative in Frankfurt (Oder) Bezirk on 25 May. (26 May, p 1)

Werner Jarowinski, Politburo member and secretary of the SED Central Committee, attended a reception given by the heads of diplomatic missions from OAU member countries, in Berlin on 25 May. (26 May, p 5)

Army General Heinz Kessler, member of the SED Central Committee Politburo and minister of national defense, received a delegation from the Hungarian People's Army headed by Deputy Chief Prosecutor Jozsef Kalman, in Berlin on 25 May. (26 May, p 2)

Egon Krenz, Politburo member and secretary of the SED Central Committee, received a youth delegation from the Socialist Republic of Vietnam, headed by Ha Quang Du, first secretary of the Ho Chi Minh Communist Youth Union, in Berlin on 24 May. (25 May, p 2)

Members of the SED Central Committee Politburo, Werner Krolikowski and Alfred Neumann, were among those who welcomed Georgi Atanasov, chairman of the Council of Ministers of the Bulgarian People's Republic, at Berlin's Schoenefeld Airport on 25 May. (26 May, p 3) Werner Krolikowski and Alfred Neumann attended a dinner hosted by Willi Stoph, chairman of the GDR Council of Ministers, in honor of Georgi Atanasov, in Berlin on 25 May. (26 May, p 5)

Siegfried Lorenz, member of the SED Central Committee Politburo and first secretary of the Karl-Marx-Stadt Bezirk leadership, opened a center of laser technology in Karl-Marx-Stadt on 20 May. (21-22 May, p 3)

Erich Mueckenberger, member of the SED Central Committee and chairman of the Central Party Control Commission, personally presented birthday congratulations to Werner Mueller, deputy chairman of the Central Party Control Commission, in Berlin on 20 May. (21-22 May, p 2)

Briefs

Cooperation With Moscow University

Moscow (ADN)—On 9 May a contract on scientific cooperation up to the year 2000, between Berlin's Humboldt University and the Moscow Lomonosov University, was signed by the rectors of the two universities, Helmut Klein and Anatoliy Logunov. The document provides for intensified cooperation in research and teaching, in particular in the fields of information technology, biotechnology, and peace research. [summary] [*AU1306165588 East Berlin NEUES DEUTSCHLAND in German 10 Jun 88 p 2*]

Nemeth Departs for United States

LD1406101088 Budapest MTI in English 0920 GMT 14 Jun 88

[Text] Budapest, June 14 (MTI)—Miklos Nemeth, member of the Political Committee of the HSWP and secretary of the Central Committee, left for Washington on Tuesday. On the invitation of Charles Z. Wick, director of the United States Information Agency (USIA), he is to attend the international conference surveying topical issues of East-West economic cooperation and world economy. In the United States Miklos Nemeth is to meet leading representatives of the political, business and social life.

Arrives 15 Jun

LD1506083088 Budapest MTI in English 0542 GMT 15 Jun 88

[Text] Washington, June 15 (MTI)—Miklos Nemeth, member of the Political Committee of the HSWP and secretary of the Central Committee, has arrived in Washington. He is to attend the international conference surveying topical issues of East-West economic cooperation and world economy. In Washington and New York he is to meet leading representatives of the American political, business and social life.

Grosz on Visit to Romania, Politburo Session

LD1406175088 Budapest Domestic Service in Hungarian 1630 GMT 14 Jun 88

[Text] Karoly Grosz, general secretary and chairman of the Council of Ministers, has talked to journalists about his coming visit to Romania and today's Politburo session. Our editorial office was represented by Gabor Bankuti:

[Bankuti] At 1600 today Karoly Grosz, general secretary and chairman of the Council of Ministers, was the guest of a small meeting at the Architects' Association. In addition to the host, association chairman Bela Borvendeg, Construction Minister Laszlo Somogyi was also present. Beside the invited architects, several journalists also attended. Of course, we asked questions. As the association last week wrote a letter to the premier in connection with the destruction of villages in Romania, Laszlo Juszt of Television Newsreel asked Karoly Grosz about his visit to Romania.

[Begin recording] [Grosz] Comrade Dascalescu has paid a visit to Budapest, and it is an established custom—this is in order—that visits are reciprocated, and that the invitation is fulfilled. I feel we are living in a period when we have things to say to each other. On certain issues we think differently. We judge certain questions differently. A visit such as this provides the opportunity for an open and frank exchange of views. The invitation is addressed to the premier. A visit by the premier is due, so I feel it is my duty to exploit the possibilities of dialogue to the utmost.

[Bankuti] Will you take new points, new ideas, with you, as compared with the Debrecen meeting [between Kadar and Ceausescu]?

[GROSZ] Look, I am not comparing what we have to say either with Debrecen or with previous years. Our point of departure is today's reality. We will place on the agenda today's questions awaiting a solution. We will try to conduct an exchange of views, an open and frank exchange of views, about these. I do not think we should look back. Rather, it is the future that should be taken into account.

[Bankuti] Before you came here, the Politburo held a session. I do not know whether or not this was a strictly secret meeting, but I wonder if you could say something about its mood, at least.

[Grosz] Why should the Politburo hold a secret meeting? Anyone familiar with the customs of the Hungarian party knows that it starts on every other Tuesday, in the morning, and is in conference until final exhaustion. On the present occasion, I asked for approval to come here, because one should fulfill an invitation, so that I did not miss it. There is no secret in this.

There was much on the agenda. We discussed and debated many questions.

[Bankuti] But until now communiques on this used not to appear.

[Grosz] There will be no communique about it on this occasion, either, just as there have been none until now. This is because what should be published about the Politburo session and the Central Committee session must be decided by the Central Committee.

The Central Committee will hold its first session since the party conference on the 23d of this month, and one of the points on its agenda will be the public nature of sessions. After the Central Committee session, we will adopt and formulate a new practice, a new system. The country and the world will be able to learn about our decision on the 23d. [end recording]

Discusses Nationalities Issues

LD1406214288 Budapest MTI in English 2006 GMT 17 Jun 88

[Quotation marks as received]

[Text] Budapest, June 14 (MTI)—As it was reported Karoly Grosz, HSWP general secretary and Hungarian prime minister visited the Hungarian Architects' Association. In his address he emphasized, among others, that he agrees with the declaration of the association (which was published last week, editor's comment) in which they protested against the Romanian region restructuring plans. He pointed out that the essence of the Hungarian policy in nationality issues is that the

nationalities should preserve their identity. 'I won't dare to say to develop, because an assimilation normally happens. But this process could be slowed down. This is our conviction of principle and not of reciprocity. We will care for the identity of the nationalities in Hungary even if beyond the borders the Hungarian identity is not cared for.'

Grosz emphasized: The nationality policy naturally is the domestic affair of each country and in Romania not only Hungarian but Romanian villages are to be liquidated. 'For this reason I have the impression: It is not correct to consider this action purely as an attack on the nationalities.' In this context Karoly Grosz pointed out that when the Hungarians raise their voices against such plans than it is done for the protection of the values of the general human culture.

He also said that the Hungarian Government is frequently criticized: It is not enough assertive and determined in these questions and the methods used so far failed to yield results. 'Results are really missing - he said - but it is our unchanged solid stance that progress could only be achieved in a dialogue. Therefore we have to negotiate, we have to expound our stance and this should be firmly protected. This diplomatic activity should be exercised at the greatest possible openness.'

Grosz said that the work on a nationality law is underway which will be debated at the parliament next year. He explained that Hungary spends a lot on the preservation of cultural values of the nationalities in Hungary, although this expenditure is still not enough. On the development of the cooperation with the Hungarian nationality associations he said: It is expected that these will directly be controlled by the Council of Ministers.

Scientific Association Protests Romanian Plans

AU1506153888 Budapest MAGYAR NEMZET in Hungarian 14 Jun 88 p 3

["K.B."-signed report: "Debate at the PPF Headquarters—The Social Problems Involved in the Forced Reorganization of the Settlement Structure in Romania"]

[Text] Choosing the social problems involved in the forced reorganizations of settlement structures as the subject for its debate, the Ferenc Erdei Scientific Political Club held a meeting at the PPF Headquarters on 13 June and discussed issues that burden the souls of all responsible people of good will who are concerned for the historical and cultural heritage of Europe and the fate of national minorities. The debate is all the more topical because, we can say without exaggeration, the new, extremely dangerous "settlement reorganization" concepts have shocked Europe. These concepts, according to which most of the existing 13,000 small villages in Romania will be eliminated, that is, totally erased by the turn of the century in order to increase agricultural areas, affect primarily Romanian citizens who are national minorities.

At the meeting, the participants who represent various intellectual professions decided to express their concern by issuing an appeal.

Reduced USSR Imports Cause Paper Shortage

AU1406094888 Budapest NEPSZABADSAG in Hungarian 9 Jun 88 p 4

[Interview with Dr Tibor Horvath, deputy director of the Paper Industry Enterprise, by Gyula Fejer: "Will the Newspapers Become Thinner?—Less Paper Arrives From the Soviet Union"—time and place not given]

[Text] Our paper industry is also burdened by the price of wood. In the fall of 1985, 1 tonne of bleached cellulose cost $360-380 on the world market. Today it costs $740. Moreover, in recent offers its price has been set at $780, and there are indications that its price will soon reach $800. Since the Hungarian paper economy uses a considerable amount of basic materials and finished products manufactured abroad, price increases on the world market have serious results. This is because, at least for the time being, the Hungarian economy is unable to offset this increase in prices with production. Thus, although investments are approximately the same, increasingly fewer of the finished products and basic materials required for processing are available. In simple terms, there is a paper shortage. For example, the Szolnok Paper Factory—which was established with a 6 billion forints investment—was idle for 68 days in 1987. And this year it is also necessary to occasionally close down a line in one of its 13 factories.

New tension has been added to those that have existed up until now: The imports arriving from the Soviet Union are also decreasing. We interviewed Dr Tibor Horvath, deputy director of the Paper Industry Enterprise, on the reasons for this.

[Horvath] The quantity of paper used for the preparation of newspapers and other printed materials comprises a limited but important slice of domestic paper consumption. This so-called newsprint paper [ujsagnyomopapir], the consumption of which amounts to 62,000 tonnes annually, is entirely supplied by the Soviet Union, and this quantity has consecutively been guaranteed by long-term interstate agreements. The current agreement is valid until 1990. This safe background has also contributed to the fact that the technological conditions necessary to manufacture newsprint paper have not been developed in Hungary. Therefore, the announcement that the Soviet Union is unable to supply the usual quantity of paper has created a difficult situation.

[Fejer] What happened? Is there not enough wood in the Soviet Union? Or were a few paper factories closed down?

[Horvath] None of these is the case. In order to understand the situation, one should know that the paper industry closely follows the energy producing sector as

the second most asset-intensive industry and, therefore, it requires great investments. To be more precise, it would require great investments because, due to lack of money, the current hunger for paper in the Soviet Union is also large. According to Soviet data, the per capita paper consumption in the Soviet Union is 35 kg. In Hungary, however, it is between 65 and 68 kg. Thus the Soviet Union is ranked 42d on the world list of paper consumption. The Soviet paper industry has been working at maximum capacity, yet even so it has been unable to reduce the shortage of paper. As a result of glasnost, the desire to read papers has abruptly increased in the Soviet Union, and this gave rise to so intensive demands that the USSR Council of Ministers was forced to take two measures to offset it: They have increased paper imports from capitalist countries, and limited their paper exports to CEMA countries.

[Fejer] To what extent have they limited their exports to Hungary?

[Horvath] They have reduced them by 10 percent.

[Fejer] Is this final?

[Horvath] The decision was made in the Soviet Union in March, but we had a valid agreement for this year. Our competent government organs have referred to this and have suggested on several occasions rendering the restricting measure ineffective. So far they have not been successful. Our Soviet partner's inability to fulfill its commitment became final in recent days. The restricting measure is already in effect. One half of the reduction will become effective in the second quarter and the other half in the third quarter of this year.

[Fejer] What can we do in this situation?

[Horvath] There seem to be two solutions. One solution is for the Hungarian Government to decide to supplement the missing quantity by importing from capitalist countries. The other solution is for the government to find a balance by reducing paper consumption. Because only a short time was available and additional money sources are difficult to establish, the competent bodies selected the second alternative. Therefore, this means that all newspaper publishers will have to take a 20 percent reduction of paper for a period of 6 months, because this is what an annual 10 percent reduction amounts to.

[Fejer] And what does this mean? Will there be no more newspapers? Or will they become thinner? Or will fewer copies be printed?

[Horvath] I cannot answer that. The detailed implementation of this measure is up to the newspaper publishers.

Havasi Interviewed on Resignation

LD1306224888 Budapest Domestic Service in Hungarian 1715 GMT 13 Jun 88

["Firsthand Information" Program; interview with Ferenc Havasi, first secretary of the Budapest Party Committee—live or recorded]

[Text] [Presenter] The news today that the president and general secretary of SZOT [National Council of Trade Unions have resigned is new. This program is unfortunately not that quick, to invite Sandor Gaspar or Tibor Baranyai to the studio, but our invitation was accepted by Ferenc Havasi, the first secretary of the Budapest Party Committee, who asked to be relieved of office, and to retire, last week. Why did you decide thus?

[Havasi] I was not elected by the party committee to the Central Committee, so, for the lack of eight votes, I did not get into it. In theory, it is possible to imagine a Budapest Party Committee first secretary who is not a member of the Central Committee. Nevertheless, I reached the decision that a Budapest Party Committee first secretary who cannot obtain the minimum majority of votes at a party conference should not stay as Budapest first secretary.

The prestige of this Budapest party movement, its rank, in my opinion, cannot permit this. And if I do not want to cause or become a political burden, either for Budapest, or for myself, if I do not want to burden this movement with political millstones, then in my opinion, there is only one correct path which can be followed, if one draws a conclusion from the result of this kind of vote.

[Presenter] But if you had gotten, say, one more vote than the minimum necessary, then would you have stayed?

[Havasi] I do not know if the new Central Committee could have carried on recommending with a clear conscience a person who had a one vote majority, as Budapest first secretary.

As regards my conscience, it would not have been any the clearer if...

[Presenter, interrupting] This is exactly why I asked.

[Havasi] I feel from this voting result that the leadership in which I worked during the past 10 years, or 13 years, since I have been in Budapest, this leadership did not enjoy the confidence that a leadership should.

[presenter] You said without particular emotion that you did not get into the Central Committee. So, are there really no feelings, emotions, in a person at a time like

this? For, as you yourself also said, for 10 to 13 years you were a key participant in these politics, and you became an outsider almost, if you like, from one minute to the next.

[Havasi] Emotions, well, I have thought a lot about this since then. And I can say two things. If at a party conference, the judgement on a person is this, then I cannot fault the party conference. One thing hurts me; that confidence was withdrawn from me together with those people against whom I had fought throughout the years, for the reform, for the renewal of economic policy, for modernization, and for a series of other things which—even if everyone in the country is not familiar with them—political general opinion, those people who know the internal life of the party more closely, are familiar with.

[Presenter] Listening to you, I am thinking that you obviously had to struggle against numerous obstacles, and we can now hear more and more about these obstacles. Did it occur to you, during the past years, these 13 or so years, to say: In such conditions, after such struggles, surrounded by such personnel conflicts, I will not take it on?

[Havasi] Yes, in the spring 1 year ago, when I was relieved of the function of economic policy secretary, and my transfer to Budapest was proposed. I then asked that we should stop tilting at windmills; I would go into retirement, I have done my time, 40 years in the movement—45 years otherwise—I am 60 years old. If there is no prospect of our being able to achieve what we would like, then it is better to stop.

Then they convinced me that I was wrong, that I should start in Budapest, that this was not the end, there was a return from there, and so on. And as is usual in these cadre interviews, and these talks...

[Presenter, interrupting] Did you have a cadre interview, or did they talk to you then too?

[Havasi] After the results were announced?

[Presenter] No, now concerning your resignation from the post of Budapest party committee first secretary?

[Havasi] No.

[Presenter] The sentence was heard at the party conference that prohibited words were uttered by those who had been prohibited. You were among those who did not display showy self-criticism. You gave of yourself, a person the country had gotten to know. Didn't you think that with more clever, more flexible behavior, you might have, how should I put it, perhaps retained your position?

[Havasi] Yes, I did think that, but I consciously did not chose it. I did not, because a self-critical report was heard at the party conference which, in the name of the body used, contained many questions and formulations such as: we made mistakes, we delayed, [word indistinct], and so on.

In my speech, I consciously made a series of formulations such as: We cannot spread the reforms to social life beyond the economy. We entered into partial solutions. We waited for others to overtake us. This is where the reform battle began, but we could never bring it to a conclusive victory. Beyond this, I will tell you what held me back from a sort of personal self-criticism, referring to only one person. I had participated in a Budapest regional program, and there were questions about who is responsible. I said that I naturally felt responsibility, that I worked in such a position. Then I received a letter form an intellectual, who said: Why are you practicing self-criticism on these questions? This can easily seem like bigheadedness. A doctor has not yet practiced self criticism for not being able to cure cancer. This socialism has not yet learned how to manage. If you criticize yourself for this, pertaining to the individual, it can be misunderstood. I must say this letter had a great effect on me. Since then, several times I have heard it said that a good vote could have been obtained with showy self-criticism. I do not know, I think I was honest to myself.

Military Plane Crashes During Exercise

AU1506093488 Budapest NEPSZABADSAG in Hungarian 13 Jun 88 p 9

[MTI report: "Military Plane Crashed—Pilot Ejected"]

[Text] An airplane of the Hungarian People's Army crashed in an uninhabited area in the Taszar District on 10 June, in the course of carrying out a training exercise. The pilot reached the ground unharmed and the competent organs have launched an investigation.

PZPR Plenum Adopts Resolution, Hears Speakers

Party Shuffles Leadership

LD1406202988 Warsaw Domestic Service in Polish 2000 GMT 14 Jun 88

[Text] The 7th PZPR Plenum has adopted a resolution on party tasks for continuing the reform of the economy and of the state and cadre policy.

In the item on the agenda concerning organizational matters, Wojciech Jaruzelski announced that the following resignation had been submitted: Marian Wozniak from the Politburo and his position as Central Committee Secretary; Wlodzimierz Mokrzyszczak from the Politburo; Stanislaw Bejger from his position of candidate member of the Politburo; and Jozef Baryla, Tadeusz Porebski, and Stanislaw Ciosek from their positions of central committee secretaries.

In an open vote the Central Committee accepted these resignations.

Wojciech Jaruzelski thanked them for their self-sacrificing work in the sectors of party activity entrusted to them.

On behalf of the Politburo, Wojciech Jaruzelski presented the following proposed changes in the party leadership. In a secret vote, the Central Committee elected Wladyslaw Baka as a member of the Central Committee, secretary of the Central Committee and member of the Central Committee Politburo; Stanislaw Ciosek as candidate member of the Politburo; Politburo member Marian Orzechowski as Central Committee secretary; Politburo member Mieczyslaw Rakowski as Central Committee secretary; and Boguslaw Kolodziejczak as a member of the Central Committee Secretariat.

The plenum accepted the resignation of Henryk Bednarski from his position of chairman of the Central Committee ideological commission. This post and the chairmanship of the Preparatory Committee for the Third All-Poland Theoretical and Ideological Conference was entrusted to Marian Orzechowski.

Wojciech Jaruzelski made a speech at the close of the deliberations.

Jaruzelski Speaks at Plenum

LD1406004188 Warsaw Domestic Service in Polish 1033 GMT 13 Jun 88

["Excerpts" from the Politburo report delivered by PZPR First Secretary Wojciech Jaruzelski at the Seventh PZPR Central Committee Plenum in Warsaw on 13 Jun—recorded]

[Text] Comrades, our meeting has a particular character. It is both ordinary and an extraordinary plenum. It is ordinary because it transpires from the implementation of the 10th congress resolutions, which recognized higher quality cadre policy as the key precondition for the success of socialist renewal and all reform actions.

Preparations for the plenum went on for a long time, particularly by way of numerous discussions, consultations, and appraisals. At the same time, because of the time and circumstances, this is an extraordinary plenum, complicated, having various factors that depart from our expectations. The development of the situation presents sharp questions which demand clear and socially credible answers. At what point in the reform are we now? Where did we create conditions and bridgeheads for realizing change? Where is the process being slowed down by insufficient action? What actions are necessary in the economic sphere, and in processes of democratization, cadre policy, and national accord?

The road to socialist renewal was mapped out by the ninth congress 7 years ago. We embark on the road in dramatically difficult conditions, constantly struggling against mounting adversity. During the martial law period, contrary to the nature of such an extraordinary situation, we developed a process of economic and political changes. Afterward we continued to deepen them, despite the fact that the processes differed from views and trends then predominate in the socialist community.

We have not for one moment departed from the road of renewal, reform, accord, and openness. Everyone who honestly and without prejudice assesses these years will admit that much has changed, that Poland's face is simply different. But we have no room for self appeasement. On the contrary. Positive tendencies have recently weakened. Material living standards have succumbed to disturbances. The main obligation laid down at the 10th congress, that of qualitatively better and more efficient implementation is not being fulfilled. The time periods to achieve the intended aims are being unduly extended. This is the source of public disquiet about the fate of the reform and the frequent lack of faith in its effectiveness. The party cannot belittle these feelings. We, too, will be assessing the results after the 10th congress at today's plenum. Rejecting embittered commentary and cowardly catastrophism, it is necessary to state openly that the quality and efficiency of much of our efforts has not been equal to current demands.

These problems are not new. The party, the allied parties, addressed them earlier. Today we do not want to simply reemphasize their significance. Above all, harsh necessity shows us the correct road to find new ways to accelerate positive solutions. Expectations linked to the reform were and are greater then its possibilities. This is understandable, even natural. The reform cannot be good for everything. It is neither a fast acting or a miraculous drug. It is simply a great opportunity. Has it been exploited?

Yes, but not sufficiently. Now that we are hearing impatient or despairing voices about whether we have taken the right course, we must penetratingly and openly examine the issue. This way we can fix what needs to be corrected, eradicate what has not provied itself, and consolidate and develop what seems to be correct.

Economic reform was undertaken in exceptionaly complicated circumstances. There was political struggle and the country was deeply in crisis; there was a sharp drop in production and consumption and we were subjected to unprecedented restrictions; imports were drastically reduced and the market collapsed; and economic bonds disintegrated and work hours were reduced. Meanwhile, social needs were growing considerably and the number of children, youths, and retirees increased rapidly. At the same time, despite limited resources, various social benefits were protected or even increased, contrary to economic logic.

Despite such unfavorable circumstances, we decided that reform could not be postponed any longer. The bygone period, particularly the first stage including 1982-86, confirmed that decision during that period, the economy was recovering from a low, productivity was increasing year by year, and better and better use was being made of means of production. Market equilibrium was also returning, foreign trade was gathering considerable momentum, and during 1983-85 3-year plan tasks had been exceeded. The people felt those tangible results, and the public mood gradually improved. Public opinion research also indicated the growth of optimism. Nevertheless reform has not taken very deep root.

Reform mechanisms had not been clearly tied to economic policies. Conservative and inhibitive attitudes persevered. Local and departmental interests, as well as simulated actions, delayed and obstructed progress. At the same time, resistance to economic severities and necessities made itself felt. Thus the need for more radical steps was coming to a head. The 10th congress decided that reform had to be extended and that the party should proceed consistently along the marked out route.

But the administrative creation of the program has taken too long; it has been tough going. We must self-critically admit that the party leadership did not exert enough pressure to speed the work up. The work has taken too long since the 10th congress. Since last year an unfavorable change of mood has been taking shape. This mood was affected by the prolonged wait for the conceptions of the second stage and a growing impatience in the course of discussing the theses: Stop talking! Do something! We are waiting for radical changes! But it turned out that frequently the verbal radicalism did not go hand-in-hand with readiness to approve them in practice. The presentation of a sharp variant of price restructuring resulted in anxiety, pressure on the market, and a gradual emptying of shop shelves. At the same time it was accompanied by a perceived drop in average real wages.

Not for one moment did we have doubts or intend to depart from the reformatory line. The whole matter had been presented honestly. We had repeatedly pointed out that there would not and could not be a lightning economic victory.

The next 3 years will be difficult; the reform will create improved conditions gradually.

We have begun to implement the second stage of the reform. A number of planned decisions were made and steps taken but fault and deformations have appeared. This particularly applies to the price and income operation. The component part of the second stage has drastically overwhelmed all reformist efforts, and particularly their social perception.

As the project was designed, controversial, often diametrically opposite views, clashed. A great number of discussions were held with the participation of many workers and theoreticians, including respected economic authorities. In this circle the variety of views, opinions, and ideas was such that it would possible to apply them in the entire world economy. After many analyses the government prepared the version that was next subject to a referendum. The Sejm, while approving the program to implement the second stage, recommended the toned down option. But even this option has become in practice very difficult for society to approve because its introduction was not accompanied by an increase in market supply, and in many cases fewer goods were available. There was a shortage of material backing for this great and complicated undertaking. At the same time, given these unbalanced conditions, the threatening economic duress appears to be a paper tiger.

The worst thing is, in spite of a wage increase that exceeds the effects of the price increases, the prevailing opinion is that the real wage level has decreased. Well, statistics tell us general truths, but it is the truths of individuals and communities that decide the mood. They are closer to life, more complex, and more acute. It is necessary to seek a new price and wage policy that the public will approve. As a way toward that objective the politburo proposes a price and wage coordination system administered by a permanent pubilc-stage commission. It should comprise enterprise representatives, that is managers and self-management teams, as the employers; and representatives of the cooperative movement, the private sector, and craftsmen, and the trade union movement, agricultural circles, consumer, women's and retirees' organizations, and so on. The third participant, acting, as it were, as a mediator, with whom the final responsibility for the coordination results would rest, would be the government.

The task of the commission would be to find social consensus between solutions striking at the economic objectives of the price and wage policy and social conditions, and between efficiency and principles of justice. Its work should be aimed at definitely departing from

abrupt price changing operations concentrated in time and toward a transfer to smooth price movement. The concept presented here should be prepared urgently but with care using, among other things, foreign experience gained from Austria and France.

The preparations for the second stage were preceeded by a broad explanatory campaign. But it was not always fully effective everywhere. It did not sufficiently help society understand the kind of results the mechanism, parameters, restructuring, intensification, etc. would provide. The campaign did not help society distinguish the concept of something for something. It did not show society which material, social, and cultural values the complicated reforms would bring or when they would be achieved. Hence it was decided that the government should use more political methods. It is not enough today to make a decision and present it ex cathedra in a generally economic manner. To gain the people's trust and understanding of a decision, it must be put into language they understood. The people must be convinced. The government must check how the people will receive the decision. No one in the government can relieve ministers and directors of that duty.

The tensions and disturbances which occurred cannot change the reform's general direction. The second stage of the program must be and will be implemented. Modifications can be made after the economic results are assessed —particularly the results of the prices and incomes processes after the first 6 months of the year. Every constructive suggestion and conclusion, regardless of its origin will have to be discerningly examined, as that is one of the paths to developing the dialogue and expanding the pro-reformatory front of a valuable plane for national understanding.

Various factors from the top bureaucracy and inertia are threatening to delay reform. Deep reorganization of the central administration naturally could not bring an immediate breakthrough in the operation of newly established bodies. Nevertheless, in some sectors changes are being made too slowly, they are not leading to the essential reevaluation of work styles. All sorts of bureaucratic resistance is also being revived, and some officials, who in the past made decisions, orders, and divisions, want to hang on to their position and prestige.

Reform is also being threatened from the bottom. Management, workers councils, trade unions, and sometimes even party organizations concentrate particular attention on ways to raise prices and wages. In every sixth enterprise and cooperative, economic accounting for the first quarter can be consider decidedly incorrect. This outright economic subversion cannot be handled with kid gloves.

We do not look passively at attempts to dismantle the reform. The implementation of the second stage of the reform has been supported by extraordinary powers, the government has temporarily obtained additional, strong reinforcement. No one can complain today that his hands are tied.

In accordance with its resolution every quarter the Sejm will analyze the use of these powers and their real results. This is a basic test for the government and for economic administration. Anyone who fails it must consider the consequences. Management, self-management, and party and trade union organizations must try to ensure that there are no reasons to use these extraordinary measures in their enterprises.

What do we expect and what will we fight for in the immediate future? The main aim is to accelerate the effects society expects. Activities connected with this will be presented tomorrow by the Council of Ministers chairman. The Politburo considers the gradual but quicker balancing of successive market elements to be most important, the removal of the shortages that oppress people. The raw material and material bottlenecks that disrupt the growth in the basic goods supply must be broadened by more decisive methods. All kinds of resources, great resources, are frozen in investment. Part of those resources could replenish the market. Industry has announced an enormous growth in the market supply.

Along with those goods already supplied, it is realistic to expect an additional increase of several dozen billion zlotys worth of consumer goods production of sought after items with high use levels. Food is the key market issue. The work of Polish farmers, and the improvement in supplying their farms with the means of production in the last few years have brought discernable results. But this is not only a one time concern. This year's conditions give us cause for concern for the harvests. This brings into relief the growing significance of increasing the supply of produciton means in the countryside, particularly chemicals.

Low quality often annuls creative efforts. The losses can be calculated in billions. Society feels standards deteriorating. This state of affairs cannot be tolerated.

The third consumers federation congress proposed a system of greater personal responsibility, greater variation of official prices depending on quality, sharper transanctions, and liquidation of enterprises that mass produce rejects and [word indistinct]. These are serious proposals and should be equally urgently considered by the government. These extraordinary actions appear to be necessary but in the long run will be decisive. Deep reform is being introduced so effectiveness is forced naturally, not by various artificial means—appeals, constant inspections, and pseudosystematic patching up. What is the key issue? What must we do so today's attempts by enterprises to win allocations, relief, currency, and tax allowances can at least be substituted by strong attempts to lower costs, to effect more rational employment, to introduce modern technology, to establish equilibrium and push down the inflationary spiral? These are the most important social and economic tasks today.

A hard economic program must, at last, select enterprises, including those for liquidation or bankrupcty. Thus we will enter a new phase not only of the reform workshop [as heard] but also of the employment situation, and that of social groups with their interactions and rigors. Contradictions will appear and conflicts of interest will increase, particularly between those who push progress forward and those who slow it down.

It is those who shirk work, propping up the beer stall, who are universally regarded as so-called parasites. This spectacle revolts, but it merely represents a tiresome margin. Maintaining or subsidising weak enterprises at the cost of good ones, or tolerance in the face of abuse of social benefits represent parasitism which is more dangerous for the country's future. This is because the economy is not indifferent to a lack of concern among the population or to what frequently is downright artful dodging. Those who work honestly and productively bear the cost of this.

Restructuring is a fundamental issue, of decisive significance for progress and for a modern economy. We are still unable to prevent old errors from being made again. Two of them are experienced most tangibly—the high material and power to output ratio and the underdevelopment of the consumer goods manufacturing sector which also produces industrial goods and foodstuffs. It is with an eye to rectifying this situation that work was put in hand to correct the 2 final years of the national socioeconomic plan. This work has, so far, been making slow progress. Perhaps even the will was there, but the courage and resolve were in short supply. Issues get bogged down in discussions and bargaining. Power industry people say a fuel crisis is looming. Economists say that old, ineffective structures are being copied. Both sides have arguments of their own. Hence, viewpoints must be reconciled. Corrections to be made to the plan must be made subordinate mainly to the need to save power and raw materials. In practice, this must mean that capital-intensive investment projects that have been in the offing for years on end must no longer represent so heavy a burden to bear. At the same time, resources must be concentrated on industries which work for the market. These decisions are very responsible and, at the same time, ever more urgent. Postponing solutions, retreating in the face of pressure from a sector is tantamount to retarding progress.

We expect that in the third quarter of this year the government will outline in the Sejm a draft document for a clear and tangible correction to the plan for the years 1989-1990. Work to revise the current national socioeconomic plan cannot be separate from constructing the future development plan. The next 5-year plan, the provisions of which ought to be ready to be outlined during the national delegate conference, must be characterized by bolder and deeper restructuring, particularly taking into account high technology and the requirements of the foodstuffs industry. Rebuilding economic structures is the main way to be able to compete in the world, to cope with the material and cultural needs and aspirations of the people.

The Polska-2000 committee of the Polish Academy of Sciences has put forward scenarios for the country's long-term development. Pre-planning studies of the concept of the quinquennium to come are underway in the Planning Commission. Work on longer-term issues is advanced. Their results must be set against public expectations, enriched by the experience of various communities and by the intellectual legacy of outstanding individuals. Restructuring requires a better utilization of the opportunities provided by the progress in science and technology. This is the main instrument to break stagnation; an instrument of effective development. In the meantime technological innovations—despite considerable efforts also undertaken by the Chief Technical Organization (NOT)—are materializing slowly. The results depart from intentions and needs. The acuteness of the challenges and the scale of tasks which face the country require the particular involvement of the Polish intelligentsia, especially the technological. There is no shortage of talented and ambitious engineers and technicians in Poland. But often there is not the climate, or suitable organizational conditions, as well as material and prestige motivation. The need for a clear link between the remuneration of scientific and technological staff with that part of the profits of enterprises resulting from innovations, discoveries and improvements deserves to have particular attention paid to it.

Comrades, the party's role in a socialist state has its lasting historical and systemic foundations, but the methods of exercising this role are changing. Over the decades a stereotype was developed of a party which defined and authorized every day in a detailed or meticulous way the activities of state bodies and other structures of political and public life. That concept has proven anachronistic and, needless to say, an ineffective practice resulting in frequent failures. Poland needs a strong and effective state authority, able to gain public support for necessary although difficult decisions and able to enforce order and discipline, and assure respect for the law. The party does not intend nor does it want, to take over governing and administering from the state authority. On the other hand, one should be aware of the fact that some part of our activists have fears about a loss in the party's influence on the country's life and development. The party is not going to abandon its historical responsibility for the socialist direction of Poland's socioeconomic development.

But there is a large gap between all and nothing, and we have to fill it better than we have. Lenin used to say: Better less but better. Let us add: Those who want everything may end up with nothing or almost nothing, as we have painfully learned more than once in the past. Real influence is not decided by the scale and thoroughness of direct intervention, but by constantly rejuvenated links with nonparty members and the ability to use

the democratic levers of control. We are convinced that this the right road. But its effectiveness has not yet been fully confirmed. It is not easy to master and especially to get to like a new style. Marshaling, rather than winning over, continues to be more alluring. A shortage of self-discipline, objectivity, and consistency in realization can be felt. In essence today this is our number one problem.

During the origins of socialism the banner of the new-type party carried the Leninist slogan: All power to the Soviets. But later and for a long time almost all of the actual power lay outside the Soviets. These diseases also affected Poland. Since the ninth congress we have been proceeding along the road of strengthening the Sejm and the People's Councils. This has also been confirmed by the passing term of office. There are an equal number of councils which do and do not operate in the new way. There are a lot, if we take into consideration the efforts in overcoming old habits as well as the still extensive manifestations of social passivity and lack of discipline. But there are not a lot in comparison with those that have not been able to make full use of their powers and rights. It is worth emphasizing all the more how much can be gained by enterprise and initiative. For example, the Voivodship People's Council and the Voivodship Office in Slupsk—which everyone is already taking about—and those in Bydgoszcz, Gdansk, and Poznan have been able to build more housing by using nonstandard solutions and boldness in overcoming bureaucratic resistance.

Unfortunately this is not yet a widespread mode of action. Also the numerous winners of the Masters of Good Management competitions, including those which won several times, such as Tomaszow Lubelski, Zamosc Voivodship, Ropczyce, Rzeszow Voivodship, Zukowo, Gdansk Voivodship, and Grodzisk Wielkopolski, Poznan Voivodship, provide us with examples of effective council administration, equal with regard to the base and the superstructure. But they also show that while some people can do a great deal, a great many are still deeply asleep. The positive process of harmonizing the relations between the councils and the administration is evident. But it is taking place at different speeds and on different scales. There is still resistance to giving the councils more power. But on the other hand not every council wants and knows how to take that power, and now, after all, it is going to mean a lot of power.

A great achievement of the present decade is the openness of public life, the consolidated practice of consultations and the extensive system of advisory bodies and public opinion research. Frequently we have pioneering solutions here which arouse interest in other countries. But a fair amount still remains to be done. Openness does not pay everywhere, while objective criticism meets with resistance. Ceremonialism, formalism and ostentation have not been finally uprooted. In many towns, parishes and work enterprises the people are not informed even about fundamental issues. Nor are their views sought. We must say clearly that such attitudes and such practices disqualify those activists of the party and socialist state who are specifically responsible.

As institutional guarantees are developed the most important thing is that the democratic procedures be functional and effective, while decisions made within them be implemented with absolute consistency.

It is precisely here that the largest gap and the most tangible weaknesses are to be found, affecting major issues and everyday life alike. There is no shortage in our country of those who know best how to restore Poland to health. However, it is frequently the case that the very same people are unable to solve elementary issues right under their very noses and within the remit of their powers and responsibilities. Carrying out one's duties in a manner that is not conscientious, lack of concern for public property, violations of regulations, shortcomings in the maintenance of order, cleanliness and hygiene all too often fail to be resolutely rebuffed by the authorities and society.

To eliminate the residue which in some cases is centuries old and which affects this area, one of the essential and integral parts of civilization and culture, the people's councils and councillors, ought with all severity to enforce the rule of law, order and discipline on administration, public services and services which maintain order and on all citizens.

How, in the face of the new tasks, is one to assess the use to which the opportunities created by the new regulations have been put? From the point of view of ready-made election propaganda, one ought to present a positive picture. Nor, after all, is there any lack of evidence to support one: Most candidates are people who have been tried and tested in various areas of action, people who are experienced or who show promise for the future. There are among them more people who do not belong to any party than has so far been the case. The young generation also has a high profile here.

Shortcomings, however, must also be clearly enumerated. The new thinking clashed with the old thinking during the election campaign. While some people thought—in accordance with the line of socialist renewal—about how to make the elections credible, others focused their efforts on how to secure the election. As a result the opportunities for putting forward people with varied and controversial views have not in some places been put to sufficient use.

At the same time, however, the desire to join constructively in the course of the elections has, in the so-called independent communities, come up against lack of trust, indecision and, above all, the agitation work of the extremists urging people to stay on the sideline. In essence this means being late, yet again, for the train of history. As a result, a certain number of potential candidates have refused to take part. However, I wish to

believe that, absent though they are from the electoral rolls, they will turn out to be present in the various initiatives of people's councils for the cause of the good of all.

The elections are a few days away. Participation in them is a civic right and duty and not an order from above. This is because of the times when the electoral turnout was in the range of 99 percent. At that time, every individual who refrained from voting could be regarded as someone who demonstratively set himself against the authorities. Therefore, it was a kind of courage not to go and vote. Now, however, as far as some communities are concerned it is an act of courage not to yield to pressure and to take part in the voting. I think that there will be no shortage of courageous people among Poles. How is one to appraise the cases when people stay away from the voting? Those who, despite everything, fail to come to the ballot box hand over the powers to those who are socially active, ceding their civic rights to them, giving their consent to the choice that will be theirs. This is the case in a majority of states at present and this is also the case as far as Poland is concerned now.

The manner in which power is executed, by coalition, is gaining in quality. The alliance among the PZPR, the ZSL and the SD represents the mainstay of this coalition and its fundamental terms of reference. While their identities and programmatic independence are retained, there is ever more authenticity and genuine partnership in their mutual relations. We shall continue to proceed in this direction at every level. Among other things we could introduce new institutional forms of collaboration and joint responsibility, especially on the level of personnel policy. The second, wider level of the coalition is the collaboration between the three parties and the associations of Catholics and lay Christians, as well as all the organizations, forces and persons that constitute PRON. Finally, the third level—the widest one, the idea and practice of which is slowly taking shape—is the collaboration with communities outside PRON which are ready to take part in the cause of reforms and accord. Candidates originating from these communities are in a natural manner going to enter the sphere of the state's personnel policy.

In accordance with the resolution of the Sixth Central Committee Plenum work is in progress on a new law on associations which provides for the abolition of administrative rationing of the associative movement and an expansion of its freedom of action within the constitutional framework. And the preparation of the new act and its adoption this year should not hold back the process of registering those socially-warranted initiatives which have already been undertaken. To those communities and groups interested in the associative form of pluralism in the Polish People's Republic we are offering matter-of-fact discussion on the form of specific solutions. We think it would be useful to have a roundtable meeting of representatives of the wide range of existing and proposed associations.

National understanding is a fundamental condition and one of the aims of socialist renewal. Today it is broader than in past years. This was also proven by the attitude of the overwhelming majority of society to the recent attempts to instigate a new wave of tension. Against the background of the troubles which are borne by society in the complicated, often painful process, of implementing the second stage of reform, expressing a preference for peace and work has an even stronger significance. We acknowledge and cherish sincere respect for such attitudes.

We also understand that young people, who by their nature are impatient and emotional—which makes it easier to use them as a detonator of tensions and conflict—react more strongly. However strange it sounds, the pied pipers of the recent incidents, in spite of their calculations, served the cause of accord. On the one hand, they isolated themselves, confirming in full view the unchanging, quite simply pathological, lack of responsibility. But in so doing they created a situation which enabled observation and affirmation of the breadth of today's realism—of how many people who do not agree with us on various, often fundamental, questions, including those who consider themselves to be the so-called opposition, took up a civic and patriotic stance. This confirms the pertinency of reassessing the stereotypical concept of opposition.

A distinct border has been drawn between those who want to weaken and destablize the Polish socialist state and those who, even assessing it very critically, want to change it, improve it, to make it more efficient. Whoever distances himself from the destructive philosophy "the worse it is the better," regardless of the position from which he does so, is a credible partner in the dialogue. Such people come from far afield. We, too, have traversed a lengthy path. This is essential, in order to break the division into us and them in matters of overriding importance and in order not to proceed in our, or their direction, but in the direction of what brings us closer and unites us. This, after all, was the case with people who fought the Hitlerite invader under various banners which, not infrequently, were deeply opposed to one another. Wrongs, bitterness and mutual prejudices could not have been avoided. But for decades now we have succeeded in finding common language in all matters of greatest importance for the people and the state.

The practice of the past few years has shown our constructive and historically enduring position with regard to the issue of relations between the state and the Roman Catholic Church and other churches and religious associations. The area of dialogue and mutual understanding has expanded substantially. The process of positive evolution is continuing. In Poland, this is of particular significance. The majority are believers. At the same time, the majority of people acknowledge the basic values of socialism. The fact that these two affirmations do not today clash with each other and do not give rise to split conscience and duplicity is of inestimable value.

Agreement is a matter for the Poles. The attempts to interfere in our internal affairs, stubbornly resurrected by some Western circles, can ony harm this process. This is because we can talk to anyone, as long as he is not a client, and a paid one into the bargain, of an alien court.

As is known, relations among the socialist states assumed various—and not always correct—forms in the past.

Changes of what can only be termed historical significance have taken place in recent years. Our cooperation is a partnership that stands by mutual trust and complete respect. No one imposes anything on anyone else, nor prompts them toward this or that course of action. This also applies to institutional solutions and cadre measures. This is our own sovereign right.

Hence the missionary zeal of certain Western partners gives all the more grounds for surprise. We want good and even friendly relations with all countries. The opportunity is there to meet halfway our society's vital needs, so painfully afflicted by economic sanctions and discrimination. And it is this, rather than supporting destabilizing factors, that will represent the best yardstick of friendly attitudes toward our nation, toward Poland.

Public opinion polls confirm that the overwhelming majority of Poles is for the country's socialist development. At the same time, they have many reservations about the practice, about specific methods and solutions. Hence, an ever greater number of contact points emerge once the emphasis is shifted as far as the thinking of various citizens groups is concerned. These contact points create certain terms of reference which have not yet been made fully concrete, but which emerge with an ever greater clarity, facilitating possible agreement.

The expansion of the paths that have so far been at our disposal and the opening of new paths for reaching a coalition that is essential for Poland, a coalition that is wide, patriotic, and reformist, is not an ad hoc tactic but a lasting element of our program.

Comrades, the breaking of bureaucratic obstacles in all their manifestations is a political, functional, and psychological condition for the success of renewal in our life and work styles.

In the political fever, in the difficult conditions at the beginning of the 1980's under martial law conditions, it was possible to resolve various problems much quicker, and to make decisions that are still current. Today things are dragging slowly, as if normality indicates sluggishness. Many reports and analyses find their way to desk tops: appraisals, assessments, and inspection results. Many conferences, meetings, and consultations are held and thanks to them very many valuable ideas and views are put forth. But there is no time, and some people lack the will or ability, to process it all or to consistently implement the ideas.

The seventh plenum should constitute a warning signal for all, mainly for the highest level, for the party and state authorities. The contradictions that accompany the reform are of class, of stratified dimensions [as heard], at branch level, or limited to the work place. Hence, almost any decision constitutes an option both for and against something, for somebody and against somebody. So selection is made in practice by party organizations, branches, and by party members, who are an organic part of a differentiated society and steeped in contradictions. They contradict each other. The point is that they should hold supreme reason above these contradictions, which transpire from party statute and programs, from the 10th Congress resolutions and Central Committee plenary meetings. This in effect, was, and will be, the central point of the party's essence.

We are a working class party serving working people, the vanguard of the Polish left. But simultaneously in our social radicalism we have a Leninist understanding in accordance with realistic possibilities. Experience has shown that the disease of leftism can be cured quite easily if it is removed quickly; However, it becomes more difficult once it reaches and advanced stage. We must testify with every day of our work, with each decision and action, and guarantee that there will be no return to obsolete forms and ways. The party has developed from those years when it told the nation what to think and how it should think. Today we consider it to be our fundamental duty to view the nation's feelings and desires as a signpost. To force someone to be happy is as ineffective as passively agreeing to natural and rather reverse gear [word indistinct] history. It is our duty to listen to what working people are saying. Not every one of these words has the characteristics of the final truth. However the fact that frequent differences in opinion occur is a social fact, and sometimes we have had to pay heavily for bad hearing.

The historically and system-created role of the party requires continuous authentication. The party leader's moral strength is confirmed by his dedication to the party in relation to the working class, the working people, and the nation. There is room here for sensitivity to human matters, to wrongs and complaints, [word indistinct]—seemingly small in comparison to great problems, but for an individual or a family they are often enormously important.

Among other things, this is illustrated by letters addressed to the Central Committee and party echelons. Since 1982, more than 400,000 of these have arrived annually, far more than to other institutional addresses. It is a good thing that people come to the party. But at the same time it is a bad thing that so often the party has to jog the consciences of some offices, institutions, and public services. In many instances the citizen, especially the one who is helpless and unlucky or a senior citizen or disability pensioner, is at times treated like the proverbial black who has exhausted his usefulness. He cannot get his case thoroughly examined locally. We call for a

more rigorous course against all those who are characterized by callousness and sluggishness. This is an important task for the Central Committee, the Central Control and Audit Commissions, and all local echelons.

None of us has a monopoly on wisdom or a prerogative for infallibility. But the party has a long-range historical cause, which has to be transformed into positive social processes and for which we have to win as many supporters as possible. This especially applies to dynamic, leading people, who are oriented toward creative change, toward reform. These are frequently people who are distrustful of hierarchical structures and formal authorities, critical, and even quarrelsome. To bring together and (?support) such men, we have to be, from top to bottom, a party of bold people, with initiative and social sensitivity, deeply committed to socialism but not reconciled to its inefficient, stagnant version. Among such people, first and foremost, are highly-qualified, professional, and socially outstanding workers of modern industries and energetic enterprises, enlightened farmers, and the most highly prized people in science and technology, in study and education, in culture and the health service. We should much more actively seek our party members and candidate members from among them.

Let them be with us. Let their entry into our ranks give them greater influence and make them the assault unit for reform and progress. It is also here that there is the most room for the generational relay, for angry young men who are also creative and constructive and who want to translate their no into a common yes. Young people are not against the ideals of socialism. On the contrary, when they speak with their own, undeformed voice they express a genuine attachment to these ideals. When they criticize, they frequently thus indicate a lack or a degeneration of the socialist values within their field of view. They can accept only a renewed, modern socialism that creates opportunities and conditions for the realization of generational objectives and aspirations. We know that difficulties, especially with respect to material needs, and other disappointments in life beget bitterness and perplexity among young people, which frequently are manifested in emotional ways. We must react to the manifestations with greater calm and understanding.

Here, straying from the report, a thought has occurred to me. I have heard that the so-called Orange Alternative was demonstrating recently—I cannot remember if it was in Warsaw or Wroclaw—and chanting among other things: Jaruzelski, the Wawel Dragon [smok wawelski; a legendary dragon that lived in a cave under Wawel hill in Krakow and fed on virgins until it was slain]! Well, St George allegedly has been annulled, so it is just as well that there is, at least, a dragon, even if a second-rate one. [Laughter] Let us be serious, however. It is precisely there that I would like to emphasize that we must, all-in-all, always begin with a self-examination as to whether we have done our best so that the generations born and raised in people's Poland are not beside us or against us, but among us and with us. In its ranks the party has priceless capital, and many comrades who travelled a long way within its ranks without going under during the most difficult period. Today, they are leaders in work and public life. At the same time, this does not run counter to the position of the sixth plenum that we in favor of the return of those who left, not because they abandoned socialism, but because there was not enough of it.

The national conference of delegates will be preceeded by general individual talks. Every member and delegate should be asked whether they want to implement the party line and feel strong enough to participate actively in the development of that enterprise and milieu. Undoubtedly, the decisive majority of comrades will reply: Yes, though certainly there also will be some who say: No, and those with whom it is time to dispense: people who panic, who are lazy, cynical, and indifferent to human bureaucratic matters. Let there be fewer of us, but let these be the ones who really are prepared to make the party program realistic, to fight for social justice and the victory of the reforms.

Comrades, to make the effective implementation concrete in its economic, political, and social tasks, depends to a decisive degree on a correct personnel policy. It is the main hoist of government and economic management, and at the same time one of the planes of national understanding. It therefore awakens particular interest. It forms an important point of reference for the human assessments of the party and authorities, their social picture and credibility.

It would be a mistake to isolate personnel policy from realistic conditions as a whole. Recent years have brought many personnel changes. Unfortunately in numerous cases they have not ended in success, generally, not as a result of faulty criteria or weak candidates, but because an individual of value and with perspective is caught up in an anachronistic and ossified structure, in an inefficient organizational system, in an environment infected with inability and particularism. Moreover, these situations should not be regarded as justification. There is not, however, a shortage of people who are bold, strong, and dynamic, who have managed the break through various difficulties and hurdles to do more and better than others, to carry away other groups. These are the authentic heroes of reform.

Personnel policy is a multidirectional traffic. Its rhythm is especially important. In particular, this means that there should be no artificial inhibitions. These days it often is not enough for someone simply to be good. If someone else is better, very good, he should replace him as quickly as possible. The essence of the matter should be that those who are capable of more should be advanced rapidly, while those who do not measure up also should be transferred without delay to duties with which they can cope. Here, there is the bitter paradox

that many of those who have fallen out with socialism and are distancing themselves from constructive actions owe the social advancement of their parents and their own education and aspirations precisely to the social revolution carried out under the leadership of the party and to the Polish left. This is not a reproach, but a registration of fact and, as we all know, it is by far not an isolated one.

Not quantity, but quality, and not levelling but differentiation in appraisal and pricing become the key to action in the present phase of development. In that sense, we are not going to avoid, but on the contrary, we should set and solve the problem of a personnel vanguard, a kind of elite of deeds in socialism. This is one of the more complex questions presented by life to the Marxist-Leninist theory. Personnel policy is an inseparable attribute of power. It is connected with the party's right and duty to assign its activists to key posts allocated within the coalitionary system. Let those who question that right first show us a single governing party to relinquish it, but the past—which we frequently have appraised rigorously—today makes more important the problem of remodelling the party's method of influencing life and the transformations that take place within it. Included in this is personnel policy. We must carry it out not in a high-handed manner, but democratically, and not in an arbitrary manner, by order and pronouncement, by saying that our man is better, but by factual proof and argument that he really is so. Thus, a convincing justification, as well as concern for social understanding and approval for the candidate.

Comrades, the acceleration and intensification of the reforms, the overcoming of whatever slows down this process, is also necessary due to Poland's international position. The situation of the socialist community today is fundamentally different from the time we began the road of renewal. Generally, the conviction is being strengthened as to the irrevocability of the transformations which permit the challenges of the end of the 20th century to be met, and release and strengthen the development of forces and abilities of socialism.

The hunger for restructuring embraces many socialist countries today. Depending on historical and contemporary conditions, as well as national needs, it takes on various forms. The conviction that socialism cannot mark time and that for the full implementation of its creative possibilities it is necessary to search boldly for effective solutions, is a joint one. This creates advantageous international conditions for our course of socialist renewal. We entered that path earlier. Many fraternal parties are intensely interested in our experience, which already has been tested. Likewise, we study their solutions with attention, intending to utilize whatever might prove fruitful under our conditions.

We attach particular importance to the changes made realistic by the CPSU. The philosophies of the Polish renewal and the Soviet perestroyka are ideologically homogeneous and aim in a common direction. This creates exceptionally favorable conditions for strengthening friendship, fruitfully exchanging experience, and achieving new means of comprehensive cooperation. This is a matter of simply fundamental importance for Poland's fate, for the strengthening of its position. In July in Poland, we will greet with great respect Comrade Mikhail Gorbachev, general secretary of the CPSU Central Committee, with whose name are linked invigorating transformations in the Soviet Union and in international relations. This visit will certainly add a new and important chapter to the alliance, friendship, and cooperation between our fraternal countries.

Poland is present and active in the European and world arenas. This aids the consolidation of our country's position. The problem, however, is more complex. We see two approaches in the stance taken by the West toward Poland: One of them is guided by the logic of detente and shows a readiness for normalizing relations, and a willingness to develop equal and mutually advantageous cooperation. The other treats Poland instrumentally, and aims at weakening and undermining Poland's international position. We are counting on the first approach dominating. Against this background, Poland's membership in the socialist community takes on even greater significance. The gravity of this element depends, however, on the place our country has within it. We are aware that this is not achieved through declarations; it is determined by real efficiency in implementing the program of socialist renewal, and is expressed in the proficiency and development of the economy, in the progress of democracy, in expanding social activity, in modernizing and strengthening the state. I thank you, comrades, for listening to this extensive report. However, what will be of crucial significance will be not what is heard from this platform, but to what extent the words spoken at the plenum and the substance of the resolutions adopted by the Central Committee become an effective stimulus for action in all cross-sections of life, both great and small, and in daily party practice. It is true that this will be difficult, but we have been able to transform announcements into accomplished facts under incomparably more difficult circumstances. That is how things must be done this time around, as well. Although time does not spare us worries and disappointments, our task can be carried through for the sake of our nation, of socialist Poland. [applause]

Messner Addresses Plenum

LD1406220888 Warsaw PAP in English
1330 GMT 14 Jun 88

[Text] At today's plenum, I should like to present the way the extraordinary prerogatives and powers granted to the Council of Ministers are to be made use of in the light of a current analysis of economic and social phenomena and processes.

General objectives of the prerogatives are:

—To attain an improvement in the state of monetary-market equilibrium,

—To accelerate structural changes in the economy. Especially by means of liquidating ineffective units,

—To replace managerial personnel wherever they are incapable of appropriate application of the reform's principles for the sake of efficient management.

All these guidelines are included in the "Action Programme of the Second Stage of Economic Reforms." I am saying this here and now in order to emphasize yet again: The special powers and prerogatives result not from the need to "reset railway switches," but, conversely, from the necessity to speed up the traffic along the defined and pursued line.

The prerogatives are thus an instrument peculiar to the transition period and consistent in the intent to use it with general objectives of the reform.

First decisions of the Council of Ministers had in most cases the nature of intervention. Their objective was to halt, or to redress the development of, infavourable trends.

Most decisions concentrated on problems of increasing the supply and halting the process of deepening of market inequilibrium which occurred since the last three months of 1987.

In order to protect the market, and particularly supply of goods of basic importance to the population, the Council of Ministers made exports exemption conditional upon maintenance of supplies to the domestic market at the level no lower that last year's.

At that, we do not want to alter the exports-oriented economic policy. However, development of exports should be attained by means of higher production dynamics and not by diminishing the internal market supplies.

We earmarked also by $175 million more than it had been planned, which was made possible by increased exports, for imports of supplies for producers of basic marketables and for additional purchases abroad of such items as medications and components for their production, or raw material for light industry.

Also increased were, by $35 million, the funds allotted to currency auctions for enterprises which do not have hard currency exports revenue allowance but produce marketables.

Improvement of the market situation should be also enhanced by favourable moves in customs and excise policy, calculated to boost supply of foreign-origin commodities.

It is common knowledge that supply growth is possible only within strictly defined limits. It will produce palpable effects only if it is accompanied by reinforcement of discipline of the population's monetary income.

To achieve that, simple temporary measures were resorted to. Economic sanctions have been tightened against those enterprises where wage increases have not effected production and financial results; they will forfeit tax relief on excess profits. In their case, the tax will be increased by 50 percent. On 1 July, a regulation will be introduced on monthly payment of the tax, instead of the current one-time year-end payment. Also, individual [word indistinct] has been suspended until the end of this year.

One of the sources of enterprises' excess profits has been an increase in the price of their goods. To counter these trends, the government has extended from 3 to 6 months the powers of revenue chambers to postpone price increases. Economic sanctions for increases not reported in the set period have also been increased. Results of these steps are already visible; the number of new applications has decreased, which will influence the established price movement.

Further decisions in the area of price and earnings will depend on the fiscal and market situation in the immediate future against the background of general economic results. After 5 months, earnings in many fields are better than the Central Annual Plan anticipated.

The dynamics of industrial production and productivity has exceeded 6 percent; in agriculture, the downward trend in animal production has been halted; a few more apartments than last year have been commissioned; turnover in foreign trade is increasing very clearly, including export of [words indistinct].

On the other hand, the fiscal and market situation should be assessed negatively, and it is a decisive factor in shaping the state social mood. Citizens see the condition of the entire economy not by way of statistical data, but by market supply, and opportunity for purchase. As has been correctly stated in the report by the Politburo, the situation there is not good.

On the income side, a considerable excess of factors provided in the plan took place. After 5 months, monetary incomes of the population have increased by about 10 percent. We must admit that the government-introduced mechanisms to control and discipline wages turned out to be inadequate.

The introduction of the universal extra Z6,000 in this period was one of the important causes of the excessively high rise in wages. The extra sum considerably weakened, and in some factories it reduced to a minimum, motivations for employees. The extra sum caused additional pressure on increasing wages.

Solutions concerning family allowances were also defective. We have drawn from this personnel conclusions in relation to top officials of the Ministry of Labour and Social Policy.

However, one must recall the fact that their main sources did not lie in the lack of knowledge or professional defects. Those solutions were supported by important social forces. The willingness to achieve a compromise in such neuralgic point of the price-income policy seriously influenced the quality of the choice made.

Also the scale of introduced price rises is not only the result of the impact of economic mechanisms alone—though, certainly, as concerns the concept of the price-income policy we did not fully appreciate the strength of the pressure of demands.

Anyway, pay decisions were not made by gnomes but by concrete people—managements of enterprises, their self-managements. They gave in to the pressure of enterprises' trade union organizations. Sometimes they looked for support of party organizations.

When tensions, and, in particular, strikes, took place, opinions also appeared that voiced the need to ease them through the fulfillment of forwarded pay claims. [Warsaw Domestic Service in Polish at 1033 GMT on 14 June at this point provides the following passage: Social pressure has been directed at the liberalization of economic mechanisms. Thus, price and income processes should be seen in their entire political, social, and economic complexity. Yesterday, Professor Szadkowski rightly drew attention to the universality of this and other issues.]

Pressure toward increased incomes is not diminishing at all, remunerations in the sphere of material production in May increased to a greater degree than in previous months, pressure by farmers for another amendment in procurement prices is growing. Three comrades spoke yesterday about its need: Kasperski, Matuszek, and Kulakowski.

Recognizing these reasons, at a joint meeting of the Politburo of the PZPR Central Committee and the Presidium of the Supreme Committee of the ZSL held on 7 June, we adopted a decision on maintaining the level of farmers' income at 92 percent, in accordance with previous decisions.

This means increased procurement prices, however, with consequences for the market and the state budget, as well as the prices and incomes policy this year and next year. The fact that wages in the field of material production and farmers' incomes are growing faster than we had planned not only makes improved pay relations in the budget field as planned by the government impossible, but worsens the already difficult financial situation of the intelligentsia, particularly education, health service, and cultural dissemination employees. We cannot view this passively. That is roughly the state of affairs today. Thus, if in keeping with the announcement made in the report of the Political Bureau we are to depart from jumping rises and pass on to a smooth price movement, we must not allow this year a hiatus between income and expenditure, which would imply a further growth of the so-called inflation gap and which would threaten with setting the mechanisms of hyper-inflation in motion. Otherwise, the high dynamics of prices would next year be in advance, as early as now, made inevitable. In keeping with the announcement, the government, together with trade unions as well as public and professional farmers' organization, will carry out a detailed analysis of prices, income and cost of living after 1988's first six months. Basing on the analysis, appropriate corrections to the price and income policy will be made for the period till the end of 1988, and the policy assumptions will be designed for the years 1989-1990.

We are proceeding from the conviction that equilibrium is of key importance and a "condition of conditions" of the reform. And thus, we are determined to fight to achieve the target specified in the five-year plan, which is to maintain the level of average real pay, albeit without accounting for effects of price hikes for liquor and tobacco.

In order to prevent expansion of the investment front and escalation of inflation trends which accompany the process, it was resolved to resort to a ban for economic units to commence construction of administrative and spatially-extensive buildings and introduction of appropriate sanctions should the ban be violated.

We also introduced a ban on commencing new tasks wherever investment projects under construction were already proceeding with delays, and another ban on spending money from the devleopment fund, or from similar funds, on modernization and furbishment of office buildings.

Building material and man-power potential liberated as a result of those decisions will assist implementation of a housing programme and construction of accompanying buildings.

Introduction, under the special powers, of the first of the stabilizing taxes on certain assets will serve to improve management efficiency. The tax compels socialized enterprises to better manage assets at their disposal. It establishes strong motivation to reveal and to hand over to others, in the course of the next four months, reserves of machines and equipment, raw material and material, as well as unoccupied production area and unutilized land. Revenue generated by this tax will reinforce the structural changes in industry fund, land management fund, housing economy fund and market development fund.

In the longer run, the rate of structural changes in national economy will be decisive as to improvement of economic situation. The rate is too slow at the moment.

What is needed is radical restructuring of the economy's material structure. We all declare our support for this line of transformations. But the situation deteriorates when it comes to their implementation. Restructuring must induce cost, however. We all know that we cannot rely on larger funds from foreign sources. In order to modernize the structure of the economy, we have to accumulate capital at the expense of the less modern and less efficient areas and reconcile ourselves to their accelerated depreciation and consequently their liquidation. The government wants to use the special prerogatives to speed up this entire process. It will begin with a more decisive liquidation of inefficient enterprises, since the present bankruptcy procedure stretched the process out over years. The Committee for the Implementation of the Economic Reform has adopted the basic criteria to determine the closure of such units.

The list of enterprises whose liquidation can be justified contains some 140 large, medium, and small units. The list includes such significant enterprises as the Wroclaw Wagon Factory, which has done a lot for our economy; the Krakow soda works; the Lublin and Chelm Coal Mining Company; several cement works; and others. There are also smaller units, employing less than 1,000 persons on the list. In the first instance, it has been decided to liquidate 21 small and medium enterprises, including: the Zagan Glass Works, the Goleszow Cement Works, and 13 materials turnover enterprise engaged in brokerage. The work on further decisions is going to be speeded up, although by the nature of things the wagon factory, for example, cannot be liquidated overnight. The decisions will apply to enterprises with a much greater magnitude of production and larger numbers of employees.

The situation of the metallurgical industry and the shipbuilding yards requires separate treatment. Their situation is being especially analyzed and appraised, taking into consideration the state and prospects of both industries. This analysis is being conducted under the supervision of the chairman of the Committee for the Implementation of the Economic Reform. This work will make it possible to determine organizational measures which would improve the operating efficiency of the metallurgical and shipyard industries, as well as the efficiency of the entire economy.

Yesterday, Comrade Iruszkowski said that the Lenin Shipyard in Gdansk "did not enjoy respect," that it was treated by the government in a worse way than other factories. I should like to assure you that the analysis under way will be fully objective and carried out in all the seriousness the industry deserves. Nonetheless, requiring multi-billion zlotys' worth of subsidies, its current status cannot be maintained in the long run.

The direction for countering monopolist practices and creating conditions for competition was adopted in the second stage. In accordance with this the government will next week adopt a decision on splitting up seven enterprises, first and foremost of which will be construction combines which will be separated from housing components factory. Further decisions will follow successively. The purpose of these decisions is to protect the consumers' interests, suppress the diktat of the so-called only suppliers, and create conditions for healthy competition and flexible response to the needs of the market. I would like to take this opportunity to say that in combining enterprises under the special prerogatives we will exercise great caution and seek the opinion of the anti monopoly body in every instance.

Every decision concerning the liquidation or division of an enterprise is tremendously difficult. Even the first stage of their making has already confirmed the earlier misgivings. For example, even the very few division proposals, which are far too feeble in comparison with our expectations, have led to protests from the employees' councils. The founding bodies have also approached the matter much too cautiously and reservedly. We will draw conclusions from this. The resistance will probably grow with the successive decisions. That is why we need not only consistent administrative and economic actions but also unequivocal and concrete political support. The government asks the plenum for such support.

Another stage in transferring founding supervision to local state administrations has been completed. I will remind you that a few months ago 300 enterprises were transferred to local management; now their number has increased by 330, of which more than 100 we transferred using the special prerogatives, contrary to the position of individual ministers. We will hand over some 150 more enterprises by the end of this year. This year local administrations will take over a total of approximately 800 units. That means they are going to fulfill the founding functions for 3,500 enterprises—that is one-half of all the enterprises in Poland.

Decentralization of supervision entails also reinforcement of local representative authorities. Expansion of the range of economic function exercised by People's Councils constitutes a significant contribution to development of socialist democracy.

All this deserves emphasis particularly today, on the eve of elections to people's councils. On their part, the government and its agencies will pursue, in keeping with the new function of central administration, a uniform economic policy towards all enterprises, irrespective of their situation.

Works continue on further simplification of management structures, especially within large economic organizations, as well as on elimination of intermediate levels in the state and co-operative sectors.

We shall also re-assess the operation of supreme and central bodies of state administration with an eye to consistency of their functions and structures with the tasks resulting from the second stage of economic reform.

The "Centre" of administration must represent the interests of the state in dealing with economic units. Of no lesser importance is the ability of central administration bodies to formulate and enforce the state policy in particular fields.

A bill on the Council of Ministers' law-making powers has been completed. The bill proposes that the government surrender one-quarter of its present powers on the basis of legislative acts in force.

The economic reform is tantamount to the self-management of enterprises. In the final analysis, its use in the framework delimited by the law and economic mechanism is dependent on people and on the managing personnel of economic units. It is with appreciation that we should like to underscore that a large percentage of them pass the test of economic acumen and civic responsibility with honours. Nevertheless, some of the personnel functions are glaringly divergent from the aims and principles of the socioeconomic policy. This is particularly true with the shocking infringement of economic relations, including excessive payments with no connection to production results. The government has asked workers' and supervisory councils of enterprises and cooperatives, in which those proportions have been infringed, for an opinion on whether it is advisable for the unit's managing personnel to continue to perform these functions.

Explanations and views are flowing in successively. The government has so far recalled or suspended 25 enterprise directors and cooperative managers. In the course of the next several days voivodes will send in suggestions about enterprise directors for which they are the founding organ. We will reevaluate enterprises quarterly. We will also broaden the list of criteria, including the quality of production in accord with the suggestions of the Federation of Consumers. After the first 6 months we will draw considerably sharper conclusions. Here also conservative attitudes and tendencies—attempts to justify every procedure at any cost—have come to light, although we are aware that not in all cases a list of indices itself points to bad work. It is time to make a deeper analysis.

If the reasons which guided self-management or the supervisory councils can be understood, it is difficult to explain ministers and voivodes relatively liberal attitudes, on their basis. I will draw relevant conclusions in this area. Thus, their attitude to this question will in turn be one of the elements of assessing the state and administration's management personnel.

The cases referred to of infringements of economic relations constitute 15 percent of the total number of enterprises and cooperatives in Poland. The great majority of personnel is capable of finding its place in the conditions of the reformed economy.

We are adopting institutional solutions, which give preference to good managers. A new managing personnel pay and appraisal system represents steps in that direction. We are forwarding an initiative for the establishment of a best enterprise club. It will provide a specific, positive counterbalance to the worst enterprises. The membership of the club will mean, among other things, greater freedom in the management of financial resources and personnel policy, as well as limitation of outside control. The club will be open to all those who fulfill—let's be frank about it—stringent requirements. We also consider the establishment of an organization representing the interests of enterprise management personnel purposeful. It is also necessary to sanction the director's right to unrestrained selection of the remaining members of management, especially his deputies. By the end of the year a universal review of management personnel in the economy and state administration will be completed.

In line with the adopted timetable and frequently in advance of the schedule, the government has prepared next drafts of legal acts of essential importance to the economy.

The Sejm has already been filed with government draft laws on the economic activity, the issuing of bonds, the economic activity with the participation of foreign capital, and the package of drafts on development of housing construction.

Government representatives have also been taking part in the work on the bill on communal property.

Apart from practical facilitiations for all production or services' initiatives the bill on undertaking the economic activity introduces the principles of economic liberty, equality of all subjects, irrespective of the form of property, the freedom of association.

It should effectively influence an increase in economic activeness in all sectors, the breaking of monopolist structures, located not only in the key industry but in the cooperative sector and small business as well.

It is against this background that doubts arise here and there whether solutions proposed by the bill do not lead to the return to the private ownership of the economy.

I would like to dissipate these fears. We are not departing from the objectives and principles of socialism. We are merely changing the methods of attaining these objectives. The overwhelming majority of the 40 billion-worth of national assets is in the hands of the state. We do not intend to hand these assets over to private owners. But

we do consider it right for them to use their qualifications and allocate any of their own capital to the implementation of socially useful economic initiatives. This is not going to unbalance in principle the proportions between the particular forms of ownership, although in such fields as trade, services, small-scale manufacture, and to some extent construction and freight transport there will probably arise a considerable number of private or mixed-capital enterprises. This will also lead to a restructuring of the economy in the promarket direction.

The issue of bonds will allow for future introduction of securities onto the market.

The law which is to facilitate operation of foreign capital in Poland will establish conditions for a broader-than-so-far inflow of new technologies and for modernization of production.

Works on amendments to the National Socio-Economic Plan (NPSG) are at an advanced stage, and the results will be tabled with the Sejm between July and September this year.

The objective of these amendments and supplementations is first of all to accelerate structural changes, modernization of the economy and restoration of both its internal and external equilibrium. The amendments are focussed upon investments, foreign trade, as well as consumption and market equilibrium.

As for investments, the amendments to the national socio-economic plan are aimed at taking the load of long-term and capital-consuming ventures off the investment programme, especially in the field of state-run power engineering.

Proposed amendments pertain to limitation or postponement of centrally-planned investment expenditure. There is a possibility to reduce the expenditure by some 250 billion zlotys, which is some 15 per cent of what the national socio-economic plan envisaged.

On the other hand, one may expect a considerable growth in enterprise-originated investment projects, to the amount of over 400 billion zlotys.

The variant scenarios of reducing the energy-consumption of our industry are prepared. Among other variants, we consider the limitation of the production of steel.

We have already taken the first steps, stopping or delaying the building of some new hard coal mines such as "Stefanow" and "Budryk" and prepared the introduction of settling financial accounts in hard coal mining on the basis of prices depending on the quality and caloricity of the fuel starting from the year 1989.

As for cooperation with abroad, the main goal we set ourselves is to arrest the growing debt and to create conditions to gradually reduce it in the 1990s. In this connection, starting from this year, we get ready for balancing current turnover with states of the hard currency zone starting from 1991 by properly shaping the proportions of the economic growth.

A more flexible stand by Western countries on our burdens would make it possible to increase the feasibility of this deadline.

A Soviet share in modernizing Polish export offer to the USSR can become an important factor in the development of modern industrial production in Poland.

It is possible to maintian the hitherto growth rate of the general consumption level. In 1986-1990, this level would increase by about two or three percentage points as compared with the assumptions of the national socio-economic plan.

The preparing of assumptions and directions of systemic changes in the state social policy also belongs to the government's most important activities connected with shaping the long-term socio-economic policy. The Council of Ministers recently discussed the principles and modifications of the system of services in the 90's.

They cover social insureance and non-insurance services, including the ones provided by work establishments as well as the ones included in sometimes outdated collective contracts.

Also necessary are changes in other spheres of the social policy. The work on a new model of national education has been speeded up. We have been preparing reformed principles of the functioning of health service, culture, sport and tourism.

The government is going to present at a national conference of PUWP delegates the results of these activities aimed at preparing a system of the social policy which will be coherent, rational and corresponding to the possibilities of the economy.

Transformations have eben going on in the entire socialist community. Directions of activities are similar in particular countries. This has been confirmed by my official visit to People's China. Considering the whole dissimilarity of geographical, economic or cultural conditions, numerous solutions are practically convergent. The fact is striking that all my interlocutors—not only at a central level but also in provinces, enterprises, scientific centres—displayed the will of uniform and firm activity for the implementation of the worked out and adopted program of reforms.

In our society, along with many hopes the reform evokes as much fear, doubt and manifestations of impatience.

We cannot avoid tensions related to the reform. They appeared as early as the first phase of passing from declarations to practical action. And they may, in check with the progress of the reform, mount.

Therefore, not only must we realize the inevitability of these phenomena: we must learn, we in the party, authorities, public organizations and in state administration, how to overcome them in an economically rational way, drastic though sometimes it may be, and how to win public approval for it.

Ciosek Speaks at Plenum

LD1406213588 Warsaw PAP in English 2011 GMT 14 Jun 88

["Ciosek's Address at PUWP CC 7th Plenum (abridged)"—PAP headline]

[Text] Warsaw, June 14—The issue of essence and methods of reconciliation between Poles is placed yet again on the agenda. We are consistently seeking broader platforms and forms of reconciliation. This idea is also growing ripe in the Patriotic Movement for National Rebirth since diversification of the Polish people is deeper than the present composition of our movement would reflect it.

This search should lead to finding a common platform for this segment of social forces which recognize the principles of the constitution, while staying outside the Patriotic Movement for National Rebirth.

Typical of Poland, pluralism of public life allows for engagement of resources of thought and zeal which have not been utilized so far.

One should note the newly-arising organizational forms in the mainstream of reconciliation, such as, for example, the discussion clubs the report of the Political Bureau mentions. A new phenomenon is being crystallized-a public movement for dialogue between standpoints, an interesting manifestation of which is the "consensus" dialogue group.

There emerged groups and associations of people who adopt moral rebirth and combat against social maladies as their objectives. Various organizational forms of the ecological movement appear, a "Green alternative" of a kind.

These are only a few examples of the many newly-born initiatives. Cooperation of all reformatory forces and mutual support within the anti-crisis pact should establish better chances for faster reconstruction of Poland.

A strong, leading link—the party—is needed to create a stable system of social and political relations in Poland that would give grounds for hopes as to the future.

Social reconciliation must focus upon jointly set goals and against the obstacles and hurdles which hamper its realization.

The new initiative, that is the committee for parity, or a committee for incomes and prices, may become a genuine institution of reconciliation on most difficult issues.

The nature of reconciliation in the domain of economy consists in reconciliation between employers and employees, the two major sides participating in the process of production. A kind of enfranchisement of employees, in the form of developing and consolidating partner groups, self-managements and trade unions, may be decisive as to the process of reconciliation in the baisc production link.

More and more distinct awareness is growing that our internal entanglements and discrepancies paralyse and delay development, that they push us backwards.

We arrive at this conclusion having started in different positions, in talks we are holding with people from environs which yesterday negated a chance for dialogue, while today they are growing fonder of it. This evolution is valuable and merits respect. Neither are we standing immobile on one spot.

This is what distinguishes us and our interlocutors from those who are unyielding, uncompromising in negating, and inclined to follow the notorious slogan "the worse, the better."

We are declaring ourselves in favour of removal of the relics of intolerance, in favour of building a co-existence of various standpoints, co-existence that would be marked with good will and confidence.

In Poland, not only there is room for collaboration between state and church bodies, but it is also expanding.

We highly value everything that expresses a conviction that there is nothing more important than successful solution of difficult problems of Poland, which while being socialist, is a home for millions of believers. Solution of problems of the nation, in which parallel recognition of principles of the system and religion does not result in an internal split, while it can and should encourage durability of reconciliation.

Other Speakers Take Floor

LD1506081688 Warsaw PAP in English 0001 GMT 15 Jun 88

[Text] Warsaw, June 14—Following are excerpts from the discussion of the second day of the 7th PUWP CC plenum.

Zbigniew Kowalski, CC member, vice president of Gdansk Technical University: Observing the undertakings of the central authorities I get the impression that they devote too much attention and time to issues of so-called pure politics, talks and consultations in narrow social groups, formal and informal, legislative activities and the like, all at the cost of economic matters. They endow these activities with too high social rank.

I think that at present the economic sphere is the decisive link in the process of the development of Poland. The key task of the party's policy is to put to order this sphere in a way which would permit the creation of pro-efficiency conditions of development, first and foremost in the sector of the socialist economy.

Zdzislaw Balicki, CC member, first secretary of the PUWP Voivodship Committee in Wroclaw: We are dealing with the accumulation of "psychological material" ill-disposed towards the reform. I wholely solidarize with the standpoint of the Political Bureau contained in the report from which it stems that one must look from a new perspective at the whole price-income policy. Otherwise, we will constantly tread on very thin ice.

The failures of the reform come from various sources. I think that they also have their objective roots. Among political causes I would place the matter of the range and sharpness of economic coersion in the first place. In my opinion this is the key political issue of the whole reform.

Julian Kraus, CC member, first secretary of the PUWP factory committee at the FSM passenger car works in Bielsko-Biala: In promoting people to managerial posts there should not be a problem of whether someone is a party member or not. If someone, be it even from the opposition, pursues a policy of a good manager then he pursuges the party's policy. We have proceeded this way with regard to several such "oppositionists" in our factory and it turned out that in fact they were at times better than those "open-hearted." This is simply a matter of coming to terms with people.

Eugeniusz Pustowka, CC member, director of the Lenin steelworks in Krakow: The recent weeks brought popularity of sorts of the Lenin steelworks owing to the strike in some departments of the works. The complex causes of this fact are partially associated with the limited character of the reform in the field of industrial infrastructure and partly owing to the special character of the steel mill and its role in the economy. There is too little reform in it.

Despite the many shortcomings of the reform, the independence of the steelworks stemming from it contributed to the overcoming of the situation and bore fruit in serious, as concerns the conditions of metallurgy, achievements. They are the results of the big cohesion of the management collective and the commitment and skills of the crews. This could not, however, replace the possibilities stemming from correctly functioning economic levers, only partially accessible for the steel mill and commonplace outside the economic infrastructure.

The strike basically took on a limited scope although the losses were significant. The conclusions stemming from it should be used to construct a stable future.

At present, the steelworks is implementing its tasks, is making up for the delays within the framework of the elaborated program. Intensive activities to integrate the crew are being made. There is no other way out.

Wiktor Kinecki, CC member, first secretary of the voivodship committee in Gorzow Wielkopolski: During numerous meetings in our region we met on many occasions with words of great admiration for Mikhail Gorbachev and at the same time criticism that the renewal in our party is not keeping pace with the Soviet perestroika. Sometimes we feel that these assessments are not fully justified. Today, when we are preparing to receive Comrade Gorbachev of this visit stirred very big interest and aroused interest in politics in its highest and most important edition.

Official, Media Commentary on MSZMP Conference

AU1506093088 Warsaw TRYBUNA LUDU in Polish 27 May 88

[Unsigned report: "A Strong Incentive for Reforms—Interest in the MSZMP Conference Resolutions"]

[Text] Because of the great interest in the decisions and resolutions of the MSZMP National Conference, we have asked many persons to state their views on this subject.

Ryszard Wojna, journalist and Sejm deputy:

What strikes me in the conference resolution is that this programmatic document devoted to improving economic and political reforms in Hungary begins with listing tasks for the party. This means that the conference agreed that that a powerful social force must back the reform—a vanguard force, which sees its interests and hopes in the reform. The first part of the resolution notes this and states at the beginning: "Since the MSZMP plays the leading role under conditions of the one-party system, the renewal of party work is the starting point for the general reform."

This is logical, because in the state in which the party plays the leading role, party people constitute the backbone of the state. The party should also catalyze the will of society vis-a-vis the state.

The resolution stresses that it is necessary to increase democracy within the party and to increase discipline in activities in nonparty areas.

The resolution shows that democracy in our state system depends on democracy in the party. It is impossible not to agree with that!

The resolution is couched in a clear language and does not beat about the bush. For example, open self-criticism was leveled at the party for errors of the reform. The resolution states: "The Central Committee and its executive bodies, as well as the government and its echelons, are responsible for the situation."

Other sections of the resolution devoted to the economic and political reforms are rather declaratory and do not constitute a program listing tasks and ways of realizing them. The resolution is a directive for the new party leadership and contains many elements that remind us of the Polish principles of socialist renewal formulated as far back as the Ninth PZPR Congress in 1981.

However, I think that the meaning and mobilizing contents of the Hungarian resolution should be evaluated together with other results of the MSZMP conference, including the fact that responsibility for boosting the reforms was transferred to those party people and communities that were most prominent in the struggle for the reform. This is an optimistic meaning of the resolution.

Jozef Pajestka, head of the Economic Science Institute of the Polish Academy of Sciences:

The Hungarian diagnosis of the economic reform is a clear criticism of the inadequate effectiveness of the reform. These inadequacies include:

— Tendency toward imbalance and inflation,

— Poor results of structural changes,

— The lowering of economic progress.

The reasons for that are:

— Inconsistencies of the reform, especially inadequate sociopolitical changes,

— The softness of the state, which was unable to follow a tougher policy,

— Shortcomings of cadre policy.

The similarity of that diagnosis to ours is striking. It is necessary to draw conclusions from this similarity.

The shortcomings of our reform are not something specific—something you can lay at the door of "Polish characteristics" or of outstanding defects of our policy. These shortcomings are results of more general circumstances as attested to by the situation in Hungary, Yugoslavia, and Poland. They will certainly be seen in other countries reforming their economies.

That is why the conclusion is not that the concept of the reform is defective (as the dogmatists would like to assume), but that the forces and factors that dynamize progress have not been sufficiently stimulated. In view of the conference's criticism, it is impossible not to assert that, although they are correct, the means with which the reform is to be intensified may not guarantee major dynamism.

Measures to improve the situation include primarily political reforms toward democratization. We have already carried out many of these reforms (extensive consultations, for example), and others are being planned. I see no major differences between these reforms, except that our country has made slightly more progress in changes. The Hungarian resolution lays greater stress on the renewal of party work, interprets pluralism a little differently, and perhaps exerts a little more pressure on curbing officialdom [nomenklatura]. However, I would not attach great significance to these differences.

I think time has come to jointly examine the factors that dynamize progress under conditions of the economic reform in all the countries implementing it.

In any case, the Hungarian and Polish reforms show that they cannot produce an "economic miracle" by themselves. All they can do is to gradually change the attitudes of people and institutions and thus to produce progress over a longer time. All nations must acquire the ability to promote progress in civilization. No reform will relieve anyone of this task.

Roman Nowicki, chairman of the PRON Housing Policy Commission:

It has upset me that the Hungarian reform has faltered in recent months, and I have assumed that our Hungarian friends' troubles are rooted in the economy.

That is why the decisions of the MSZMP conference are a positive surprise. The same party, which only 2 years ago adopted a program for the country's development, is now thoroughly revising it. Priority is being given to the interests of the individual and the state, to the effectiveness of economic management, and to democracy in social and political relations.

The order of these tasks, which reflect the needs of the Hungarian people, is important. The critical tenor of the resolution does not mean that the Hungarian Communists are contentious. It points to a considered and sober evaluation of reality, especially economic reality. They say: "We would not like to assume the burden of conflicts generated by reducing unprofitable production and eliminating subsidies." This is not only criticism of stagnation, but above all a harbinger of future changes. The conference recognized that progress can follow if the reform is continued and if economic relations correspond to Hungarian conditions.

The Hungarian program of goals is very much similar to our experience and achievements in the past few years as attested to by greater democracy in our party life, the secrecy of voting, and the abandonment of large-scale officialdom [nomenklatura]. The Hungarian resolution also proposes to set up institutions, which can guarantee civic rights and control over authorities. This proposal calls to mind our State Tribunal, Constitutional Tribunal, Ombudsman's Office, and referendum as a way to sound the public on important matters.

The resolution speaks of the necessity to identify new socioeconomic and cultural phenomena and to take advantage of scientific achievements in order to meet people's needs and to enrich socialist practice. This means that the system has to be open and, above all, able to always improve the structure and action methods of the reformed and reforming party, which should be the driving force of changes in socialist society.

The Hungarian program relies on the Hungarians' entrepreneurship and tells the world that certain universal features of socialism, instead of becoming obsolete, gain in color with the passage of time. That is why the MSZMP resolution will greatly strengthen the reformation forces in the socialist countries.

Leszek Grzybowski, head of the PZPR Central Control and Auditing Commission Bureau: Hungary's experiences were what we referred to most often during the 1980's as we discussed the nature of our own reforms. Perhaps that is why the course and outcome of the recent MSZMP National Conference attracted our attention, and, in particular, because the signals that Poland had been receiving from Hungary for some time led one to conclude that the event would be of particularly great political importance.

In my opinion, these expectations were fully confirmed. The resolution adopted by the conference really is a document of first-rank importance that deserves to be carefully read not only by politicians and journalists who have a professional interest in observing the political scene in other socialist countries but also by broader public opinion.

The similarities between the political and economic situation in Poland and Hungary and between courses of action adopted by the PZPR and the MSZMP in order to solve their countries' problems incline one to display an interest of this kind.

As far as similar problems are concerned, this is most clearly suggested in that part of the conference resolution that states that it is essential to satisfy the just demands of Hungarian society, which is calling for guarantees of a certain future, wages that are fair in relation to work done, lower inflation, better initial career opportunities for young people, and greater concern for older people.

As I mentioned, there are similarities between the ideas behind the programs of both parties. Essentially, the similarity is that both parties wish to implement far-reaching reforms covering all areas of political and economic life.

As far as political life is concerned, we find that the approach to problems contained in the MSZMP conference resolution is similar to the one contained in our party's resolutions. This applies to, for example, questions such as strengthening the role of representative organs, developing appropriate relations between state organs and party echelons and the party apparatus, and the role of the Patriotic People's Front (the counterpart of PRON).

The document also contains the idea of socialist pluralism, which is accorded a significance that is similar to the one that it has in our documents, that is, it is meant to express various interests and express them in political terms while preserving the leading role of the party in political life.

Another characteristic feature is—and here we also find a similarity with our way of thinking about reforms—that the MSZMP conference sees the democratization of the political system as closely linked to profound changes that ought to take place in the way in which the party itself operates.

The part of the conference resolution that formulates tasks connected with the continuation of the economic reform makes a particular impression on the Polish reader. It sets out in clear-cut terms a course that is geared toward efficiency and the rejection of various dogmas and artificial obstacles. It is stated, for example, that both money accumulated by the population and foreign capital ought to enter the country's "economic bloodstream." All this is intended to increase national income and raise the population's standard of living. It seems that these issues ought to be studied particularly closely by our economic activists.

The harsh assessment that Hungarian communists have conducted with respect to political life and the Hungarian economy—an assessment of one of the most highly developed socialist countries—indicates what enormous problems the socialist countries face. The present time sets a historic test in which what will count is boldness in thinking and consistency in acting.

Conference Results Summed Up

AU1406180188 Warsaw TRYBUNA LUDU in Polish 7 Jun 88 p 6

[Ludwik Loos Budapest dispatch: "Following the MSZMP National Conference— Gathering Strength for Renewal"]

[Text] People already continue to regard the results of the MSZMP National Conference as being of importance for both party life and for the entire country. The

conference adopted its resolution on party tasks and the development of the system of political institutions in Hungary as its basic document.

The document has a twofold nature. It contains a program for sociopolitical reforms in Hungary and maps out the lines of party activities up to 1990. The conference also elected a new MSZMP Central Committee and Central Control Commission and made personnel changes in leading executive bodies—in the Politburo and the Central Committee Secretariat. It has been stressed that the new comrades appointed to these bodies constitute collectives that are able and determined to accelerate party efforts toward reforms and socialist renewal. Thus, the process of socialist reforms which, as we know, the MSZMP began a long time ago primarily in the economy, has gained a new lease of life and the guarantee that it will be continued in all sectors of the country's life.

It is a rule with the MSZMP that, halfway through its 5-year term, the Central Committee has to evaluate the results of the realization of the resolution of the congress which elected the Central Committee. But this time, that is, after the 13th MSZMP Congress, which was held in March 1985, events followed a different course in that a national party conference was convened. One may wonder why this conference was convened, all the more so since a conference of this kind was convened only once in the life of the MSZMP, and that was 31 years ago. Janos Kadar presented reasons for this in his report preceding the discussion. For example, he said that there had not always been sufficient justification for the goals mapped out by the 13th congress. The country's economic situation had become worse since those days. The promised improvements in living standards did not materialize and, what is worse, it will even be impossible to maintain the present living standards in the next few years. The country's debts in convertible currencies increased to $18 billion, a state of affairs that produced many new social and political problems. People's trust in the party diminished. During the general party discussion before the conference, people often drew attention to yet another important reason for the party conference. It is possible to reduce this reason to the answer to the following question: Is the MSZMP in the present situation, which is really difficult, fully able to play its role as the political vanguard of the people in solving problems of socialist construction? No one concealed the doubts on this score. One person who spoke about this at the conference was Gyoergy Barta, secretary of the MSZMP primary organization at Budapest Polytechnic: "The criticism of our lagging behind was just. The party leadership was sharply criticized for the fact that it accelerated the process of reforms and renewal only when the political atmosphere became tense and when party members exerted pressure."

That is why the party should also change many things in the style and forms of its work. Of course, the party resolution stated that democratic centralism stays as the basic principle of the effective performance of the party. However, the resolution also stressed that the effort to develop and strengthen internal party democracy is the most important condition for the party's renewal and for the increased force of its political influence. Many delegates devoted their attention to this issue. Fejesne Jenci Csilla of Budapest Economic University said that it was not easy for a student to be a party member. Often, she said, we do not understand the goals of its policy. That is why it is also difficult to represent and justify the party. The situation of party members is even worse if they have no knowledge of Central Committee resolutions and no influence on drafting them. That is why party members themselves often doubt the correctness of Central Committee resolutions. That is why, if we want the party to play its leading role among people through the political militancy of its members and primary organizations and not through methods of compulsion, it is also necessary to think of creating indispensable conditions for this, Csilla said. The active political attitude of party members depends primarily on whether they possess enough information.

Primary party organizations, Erzsebet Seves Devaine from the Kaposvar dairy said, should at long last be recognized as workshops of party work and not as merely executors of the tasks assigned to them. Party members must also influence important party decisions, because only then will we be able to say that resolutions are our work and only then will we take responsibility for them.

Laszlone Huszti from the Vasaromeny clothing plant criticized the often exaggerated formalism of party work. The daily agenda of party meetings, she said, is decided on in advance for the entire year. No wonder that this agenda becomes eventually obsolete. It is true that the agenda may be changed, but the evaluation of the performance of primary party organizations still begins with the question: Have you worked in line with the planned agenda? There are many formal procedures in the work of propagandists and in collecting party membership fees. These procedures, Huszti said, are a heavy burden, take much time, and distract one's attention from really important political tasks. The MSZMP has 800,000 members in a country whose population totals 10.6 million people, which means that, statistically, the party's strength is enormous. As the excerpts from speeches show, the conference discussion demonstrated what should be done so as to fully exploit that strength in the fulfillment of the tasks of the entire party. The basic conclusion is that the main point of party work should be shifted from the top to grassroots—to production enterprises and schools, that is, to MSZMP primary organizations.

The long-standing development by the MSZMP of the policy of alliances with all forces of society—this development has been verified in practice many times—is the necessary condition for the successful implementation of socialist construction in Hungary. This policy offers a large scope for activity by every citizen, regardless of his

views and world outlooks, who wants to participate in the country's socialist development and who respects the principles of the Hungarian Constitution. Hungary lacks the conditions under which a multiparty system can be established and is able to function, but the conference formulated the most important principles of socialist pluralism. The conference document states that recognizing the leading role of the party is the basic requirement for the functioning of this pluralism. The framework of socialist pluralism creates extensive opportunities for setting up organizations and institutions that function as independent bodies and express various and contradictory interests of the individual groups and segments of society.

The implementation of tha basic Leninist principle that the government that says that it acts in favor of the interests of the people should be replaced by the government by the people is continuing. Imre Pozsgay, general secretary of the People's Patriotic Front, who was eventually elected Politburo member, said that party members had played an invaluable role in this replacement. I think that the ideas contained in those sentences express the crux of the changes that should result from the reform of the system of the performance of the political institutions included in the conference resolution. It is expected that, among other things, the Hungarian Constitution and the election law will be modified as necessary, that bills on referendums, associations, and assemblies will be drawn up, and that constitutional and administrative courts will be established.

As for the need to cope with economic difficulties, basic decisions were made by the MSZMP plenum on 2 July 1987. The first group of tasks stemming from the plenum resolution is in force and was detailed by the 3-year plan for economic stabilization. The plan was approved by the Parliament last fall. The point is to create by 1990 strong foundations for further socioeconomic development and to ensure a highly effective performance of all mechanisms of socialist society. The tasks in this connection are to halt the process of indebtedness, maintain the country's fiscal credibility, reduce the budget deficit, modernize obsolescent economic structures, accelerate technological progress, increase the effectiveness of exports, improve the system of management, create better conditions for a freer operation of market mechanisms and entrepreneurship, and, as a result, reduce existing social tensions.

The MSZMP conference came out in favor of continued changes in the economy in order to create better conditions for a free flow of production materials from weak and unprofitable enterprises to those whose development is intensive and resilient. Opportunities will also be created for citizens to advantageously invest their funds and for foreign capital to be invested in various economic ventures. This measure seeks to expand all the ways in which economic initiative and enterprise can and should be expressed in Hungary.

Listening to the conference debates it was hard to resist the impression that in its program the MSZMP included all the conclusions stemming not only from its own experience, but also from the experience of the fraternal parties. The all-party discussion at the national conference was proof that the MSZMP has closed its serried ranks and consolidated its strength. "Today it is no only party members," K. Grosz said, "but also all those Hungarian citizens who want socialism and all important political and social forces that are directly interested in the renewal of the party and in its modern reform."

The adopted action program is confirmation that the MSZMP has boldly responded to those expectations and knows how to fulfill the people's endeavors and aspirations. It has also convinced many of the doubting Thomases that it is the only political force which is not only appointed, but also able and ready to lead the people in this direction.

RZECZYWISTOSC Comments on Outcome

AU1406192488 Warsaw RZECZYWISTOSC in Polish 5 Jun 88 p 2

[Piotr Olejnik commentary: "The Hungarian Hairpin Turn"]

[Text] Two weeks ago, in a lengthy article entitled "Hungary in the Face of Decisions," I analyzed the economic, social, and political situation in the land of our cousins and predicted that important changes would take place, changes affecting both personnel and program content that were to be produced by the National Party Conference scheduled for 20-22 May and convened in the face of growing economic difficulties and increasingly complicated domestic political conditions—phenomena that had already been observed on in Hungary for quite some time. The time has now come to examine these changes rather more closely, because such changes really did take place and to a degree that surely exceeded expectations.

Let us begin with personalities that arouse the most emotion and speculation, which is even something quite surprising when one considers the experiences of socialist states in this area until now. Janos Kadar, who is 76 and has headed the MSZMP since its inception following the tragic events of October and November 1956, was appointed to the post of MSZMP chairman without being a member of the party's highest bodies, that is, the Politburo and the Secretariat. Thus, he has assumed an office that is largely honorific, which, on the one hand, testifies to the recognition of his enormous services for people's Hungary and, on the other hand, shows that today's Hungary is looking to the future. Under Kadar, national consolidation was achieved following the dramatic watershed of 32 years ago, a party line was worked out, aimed at achieving accord and finding domestic

political allies, and a start was made on the implementation and the deepening, over many years, of an economic reform that is considered the most broadly conceived among the socialist states. He deserves praise for this. The present, however, has created new, exceptionally important challenges that Hungary must meet under a new leadership. The leadership of the party has been assumed by 57-year-old Karoly Grosz, who represents the new generation of Hungarian Communists. He will combine the post of MSZMP general secretary with that of head of government, which he has been since June of this year. This is not a new practice in our camp and it is encountered outside it, which is something that Grosz himself stressed in an interview that he gave to Hungarian Television following the announcement of the outcome of the elections. He pointed to the example of Austria and, at the same time, noted that "when one of these posts turns out to be too burdensome, then it will be time to separate them, and this will happen when the appropriate cadre circumstances arise." A good description of the new leader, who is considered a firm advocate of the realization and acceleration of economic and political reforms, seems to be provided by the statements that he made in a recent interview that he gave to the Hamburg weekly DER SPIEGEL.

"In theory, socialism does not exclude the possibility of a multiparty system. However, it is not relevant in the current historical situation, which includes the last 30 years. In 1956 we were even close to having a multiparty system once again. More than 70 parties were established then. Only one of the parties wanted socialism, and that one remained (...) I believe that historical processes may one day lead to the creation of a multiparty system once again. However, it is still too soon."

Let us supplement these words with a passage taken from a recent speech that Grosz made at the national conference: "Sad examples in the distant past of the world of socialism show that, when the party is paralyzed, all of society is sick. Today we have a situation in which those who are directly interested in the renewal of the party, its reform and modernization, are not just party members but all the citizens of Hungary who desire socialism and all important political and social forces."

The conference also instituted far-reaching changes in the MSZMP Politburo. This is its current composition, excluding the leader, of course: Janos Berecz, Judit Csehak, Csaba Hamori, Istvan Szabo, Pal Ivanyi, Janos Lukacs, Rezso Nyers, Imre Pozsgay, Ilona Tatai, and Miklos Nemeth. The last six persons are new members of the body. If we add that the first two persons have only been members of the Politburo since June of last year, then the picture becomes perfectly clear—more than two-thirds of the smallest group in the party leadership has been changed and, in addition, its membership has been reduced by the conference from 13 to 11 persons. Those who have left include such well-known activists as G. Aczel, G. Lazar, K. Nemeth, M. Ovari, and F. Havasi, who for many years have been shaping party and state policy.

It is worth drawing attention to two persons in the new leadership, whose presence says a lot about the direction in which Hungary intends to go in both the economic and political spheres, with respect to both the base and the superstructure—Nyers and Pozsgay. The first was the main architect of the 1986 economic reform, he earned the name "father" and was a member of the Politburo during the period of the most intensive implementation of the reform at the end of the sixties and the beginning of the seventies. The second also holds the post of chairman of the Patriotic People's Front that groups together the forces allied with the MSZMP. It was in this latter capacity that he gave an interview to MAGYAR NEMZET in November of last year in which he said:

"People need greater freedom, more civic autonomy, more secure legal conditions, because of some superfluous tradition there is strong bureaucratic resistance to civic initiatives (...) In a situation in which, in many respects, confidence in official institutions of authority has been preserved and, at the same time, sensible people do not want the country to be ruined, many people are independently proposing the creation of new institutions."

At the conference itself he called for a reform of the constitution and the electoral code, a referendum as the fastest way of approving the law on associations and assemblies and the establishment of a Constitutional Tribunal and an administrative court.

The new Politburo contains three people who are also members of the Central Committee Secretariat: Nemeth, Berecz, and Lukacs. The Secretariat also includes Gyorgy Pojti, Lenard Pal, and Matyas Szuros. This fact says a lot about the position of the first three, and it is worth taking a closer look at Nemeth and Berecz. The first was head of the MSZMP Central Committee Economic Policy Department, and in June 1987 he became a Central Committee secretary. In a recent interview for TRYBUNA LUDU he said, among other things:

"It has turned out that effective management of the economy and a more effective economic policy is only possible when economic reform goes hand in hand with social reform, as well as with a reform of political institutions."

Berecz, a journalist and historian, was, among other things, editor-in-chief of NEPSZABADSAG, the central party organ, and he was one of the pioneers of a more profound analysis of Stalinism in Hungary and the tragedy of 1956, that is, the removal of so-called blank spots in the most recent history of our cousins. This is best expressed in his own words in an interview that he gave to the Italian LA REPUBBLICA.

"We will have a new, reformed party, a more open party, which does not issue ex cathedra declarations but talks with the country and with society. It will be a party that

will try to convince the people with whom it speaks every day. It will be a party that is open internally, that is responsive to its internal problems and its members and, with respect to national problems, it will have to behave in an open way toward the people. We should have no more secrets, we should not have one leader, but various leaders, and every one of them will present himself to public opinion. The Hungary of the future will have to have a government with a clearly defined character and a very independent image, a government that will have to analyze real facts and be accountable not only to the party but also to parliament, trade unions, and social organizations. Hungary will have to have a parliament in which at least some communist leaders will have to compete for a seat with other candidates, a parliament that enjoys complete freedom in making legislation and controlling the enforcement of legislation. Social organizations will also be able to conduct checks on the government, and society will be able to organize itself freely."

This was a long quotation, but it has performed three functions—it has provided us with a profile of one of Hungary's leading politicians, it has brought us from the plane of personal assessments to the sphere of programs, and it has indicated the main guidelines contained in the resolutions adopted at the May party conference. The implementation of these resolutions is to bring about the Hungary that Berecz talked about. Of course, that Hungary will also continue to enhance and expand economic reform.

A sharp hairpin bend has been negotiated in Hungary, but the road looming ahead is not without dangerous twists and turns, especially in the economy, which is usually the hardest nut to crack to the satisfaction of the people. It is obvious that, although treading this road and negotiating these twists and turns is the most important task for the Hungarians, all this is not without significance for the entire socialist community and the future of socialism in general. Let us watch all of this with enormous attention.

MSZMP National Conference Reviewed

AU1406093288 Bucharest LUMEA No 22 in Romanian 26 May p 15

[Unattributed article "Budapest—MSZMP National Conference"]

[Text] The proceedings of the MSZMP National Conference were held in Budapest.

The report presented by Janos Kadar stresses that the convening of the conference was motivated by the situation created in the wake of the 13th MSZMP Congress. Besides the figures that indicate development, we must also note—the report points out—that our economy has experienced no qualitative changes, that the process of changing the structure of the production process is progressing slowly, that the domestic and foreign financial balance has deteriorated, and that the result of this situation is not only the absence of preconditions for a considerable increase in the standard of living, but also failure to preserve this standard. All this proves that the assessment of the 13th MSZMP Congress on the situation created and the goals put forward by it, and on the development of the economy and the improvement of the standard of living, were not sufficiently corroborated, and thus the implementation of those goals falls short of requirements.

The conference—the report stresses—must create a clearcut situation as to the main orientation of future development. Our party militates for implementing the historic goals of the workers class—building socialist society.

Stressing that the aim of the all-encompassing reform of political institutions is to strengthen people's power and the socialist system, the speaker proposed that this party conference should grant maximum support for all reforms that serve this goal and should reject any tendency of a turn toward bourgeois democracy or any utopian ideas ignoring current Hungarian realities. At the same time, Janos Kadar stressed, the long stage of socialist construction absolutely needs the leading role of the Marxist-Leninist party. The condition of achieving our goals—the report emphasizes—is to strengthen the party ranks, its unity, and to improve the way it functions.

During the concluding meeting, the resolution of the MSZMP National Conference was adopted, and the party leadership bodies were elected—the MSZMP Central Committee and Central Control Commission.

The plenum of the new Central Committee elected Janos Kadar as MSZMP chairman and Karoly Grosz as MSZMP general secretary.

Parliamentary Delegation Visits Strasbourg

AU1406173088 Bucharest AGERPRES in English 1638 GMT 14 Jun 88

[Text] Strasbourg, AGERPRES, 14/06/1988—The delegation of the Grand National Assembly (Romania's parliament), led by Nicolae Giosan, who are paying an official visit to Strasbourg, met with Louis Jung, president of the Parliamentary Assembly of the Council of Europe, and with other members of that body.

During the talks, emphasis was placed on the role and responsibilities devolving on parliaments and parliamentarians in the settlement of the major issues of the international life, on their contribution to the building of a climate of peace, understanding and collaboration in Europe and throughout the world. The wish was expressed to further develop the cooperation between the Grand National Assembly of Romania and the Parliamentary Assembly of the Council of Europe.

During the visit, the delegation also had interviews with Henry Plumb, president of the European Parliament, and with the leaders of the socialist, Christian-democratic, communist, conservative and ecological groups of that body.

Central African Parliamentarians Pay Visit

Arrive in Bucharest

AU1306172888 Bucharest AGERPRES in English 1703 GMT 13 Jun 88

[Text] Bucharest, AGERPRES, 13/6/1988—Upon the invitation of the Grand National Assembly (the Romanian parliament), a parliamentary delegation of the Central African Republic, led by Maurice Methot, chairman of the National Assembly, arrived in Bucharest on Monday, 13 June.

The same day, the Central African parliamentarians had an interview with members of the Bureau of the Grand National Assembly. Information was exchanged on the activity and preoccupations of the two legislative fora, with emphasis on the contribution they can make to developing and diversifying the Romanian-Central African ties of friendship and cooperation.

Meet With Vaduva

AU1406131688 Bucharest AGERPRES in English 1229 GMT 14 Jun 88

[Text] Bucharest, AGERPRES, 14/06/1988—Romanian Minister of Foreign Trade and International Economic Cooperation Ilie Vaduva had an interview on Tuesday, 14 June, with the Centrafrican [as received] parliamentary delegation led by Maurice Methot, president of the National Assembly. Questions were approached related to the further expansion of economic cooperation in domains of mutual interest, the broadening and diversification of bilateral goods exchanges.

The same day the Centrafrican parliamentary delegation met with executives of the Foreign Affairs Ministry.

Dascalescu Cables Israeli Premier Shamir

AU1406192088 Bucharest AGERPRES in English 1838 GMT 14 Jun 88

[Text] Bucharest, AGERPRES, 14/06/1988—Congratulatory telegrams were exchanged between Constantin Dascalescu, prime minister of the Socialist Republic of Romania, and Yitzhaq Shamir, prime minister of the State of Israel, on the anniversary of 40 years since diplomatic relations were established between Romania and Israel.

Olteanu Addresses Anniversary Meeting

AU1506071588 Bucharest SCINTEIA in Romanian 12 Jun 88 p 2

[Opening speech by Constantin Olteanu, member of the PEC of the RCP Central Committee, at the symposium devoted to the 40th anniversary of the nationalization of the major means of production in Romania, held in Bucharest on 11 June]

[Text] Please allow me to open the proceedings of the scientific symposium devoted to the 40th anniversary of the nationalization of the major means of production in Romania. "The outstanding achievements obtained by our country in building the new social system—stressed Comrade Nicolae Ceausescu—tellingly prove the historic significance of the revolutionary action taken 40 years ago, the correctness of the general policy of the RCP, and the capability and creative power of our people, who, freed from oppression and exploitation and who, after becoming complete masters of their destinies, have decided to work with utmost determination to build for themselves a bright future, in accordance with their fundamental aspirations for freedom, well-being, and happiness."

Proceeding from this generous statement in light of the great work of the illustrious leader of our party, state, and people and proceeding from the ideas and guidelines of priceless theoretical and practical value, included in the masterly speech delivered by Comrade Nicolae Ceausescu at the PEC meeting held on 29 April 1988, the reports programmed for this symposium propose to approach the essential sides of our country's socioeconomic development, with particular emphasis on its upsurge after the Ninth RCP Congress.

Through a happy coincidence, the nationalization took place at a time when the 100th anniversary of the Romanian Revolution of 1848 was being celebrated. Thus, the nationalization was a lawful consequence and an organic part of the great moments in the process of creating modern Romania, as well as a characteristic pattern for shaping the future.

On the road opened by the events of 23 August 1944, the instauration and consolidation of the power of workers and peasants and the anticapitalist measures initiated by our Communist Party in the democratic stage of the revolution also required that the levers of economy should be taken over. On 11 June 1948, expressing the will of the people's masses, the Grand National Assembly unanimously adopted the law for nationalizing industrial enterprises, banks, and insurance and transportation companies.

The review of the years that followed the celebrated event places a greater emphasis on the continuous and uniform character of the revolutionary process in our country, a process that has been raised to higher stages through the decisive turning point of the historical Ninth RCP Congress, which inaugurated the most fruitful period in the long existence of the Romanian people, a period that is called with justified patriotic pride, the Nicolae Ceausescu Era.

The wonderful picture of this era, which confers on our times the significance of a true renaissance, shows a complete endorsement of the historical decision of the Romanian people—taken in that unforgettable year 1965—to entrust the destinies of our homeland to Comrade Nicolae Ceausescu, an exceptional person, who is the embodiment of the beautiful nature and skill of our nation.

As the secretary general of our party pointed out, in a short period, Romania has changed from a country with backward industry and agriculture into a country with powerful industry, an advanced socialist agriculture, and a varied and complex economy.

During this period, a marked development of science and education—areas of the greatest importance for the multifaceted progress of our country—has taken place, a process led with distinguished authority by Comrade Academician Doctor Engineer Elena Ceausescu, a first ranking militant of our party and state, an outstanding personality of Romanian science and technology, and scientist of world renown.

Under the influence of Comrade Nicolae Ceausescu's bold way of thinking and revolutionary activity, the production forces have more intensely been developed and modernized and are more rationally and harmoniously distributed on our country's territory. This is a process which, within the context of implementing the great program of territorial planning, acquires new political, economic, and social values and significance. The rapid development of the production forces was accompanied through the process of continuously perfecting production and social relations, implementing the principles of socialist ethics and equity, and developing a patriotic and revolutionary awareness, which are characteristic features of the new-type of man, the dignified builder of socialism.

The great achievements registered in the years of socialism, particularly in the period that followed the Ninth RCP Congress, prove the correctness of the road chosen by the people. They also prove the highly scientific content and clear-sightedness of the policy promoted by our party, that fully honors the responsibility entrusted to it by history, namely to lead the lofty work of building socialism with the people and for the people.

Romania's progress toward the highest pinnacles of socialist civilization, and further toward communist civilization, its prestigious assertion within the international community, and its increasing contribution to solving serious international problems, which greatly concern mankind today, and to establishing a world free of weapons and wars, a world of cooperation and peace, are surely guaranteed by the fact that Comrade Nicolae Ceausescu, the most brilliant son of our people, the great architect of modern Socialist Romania, the great hero of our nation and of peace, is at the helm of the destinies of our people.

Bucharest's 'Modern Industrial Zones' Noted

AU1306094888 Bucharest AGERPRES in English 0922 GMT 13 Jun 88

["Industry in Romania's Capital"—AGERPRES headline]

[Text] Bucharest, AGERPRES, 13/6/1988—Bucharest Municipality—Romania's capital—has been the most powerful economic citadel of the country, an industrial centre undergoing a continuous process of development and modernization. In 1987 the city on the River Dimbovita supplied 13 percent of Romania's whole industrial production. Although the contribution to the national industry has dropped in terms of percentage points as compared with the early years of socialist construction, which is explained by the speeded-up development also of other, formerly less developed towns, Bucharest Municipality is still possessed of a remarkable productive potential. Bucharest turns out today within two days alone its entire industrial production of 1945 and in less than a month—the whole national production of 1938.

In the years of socialism the city has been earmarked big investment funds, resulting in deep-going changes in its industrial image. Over 1966-1987, for instance, the total volume of investments made in Bucharest amounted to over 448 billion lei, which allowed for a some 80 percent renewal of the industrial capital. Powerful and modern industrial zones have been built there, like the Pipera electronic industry platform, the Militari platform with units producing metallic equipment, prefabs and other building materials, the Dudesti chemical platform, the Berceni industrial platform that is in fact a powerful industrial zone with modernly equipped units building big-power generating sets, synthesis columns, single equipment for metallurgy, chemistry and building materials industry. Likewise, the old "23 August" industrial platform has been powerfully developed and modernized, extended with units to manufacture internal combustion engines, diesel-hydraulic locomotives, complex technological equipment for the whole industry, modern machine-tools and plants. Virtually, all industrial units in Bucharest have extended and modernized their productive capacity.

Last year 30 new productive units were commissioned in the city. Consequently, the value of its industrial production at the beginning of this year was over sixfold bigger than in 1965. At the same time, the value of machine-building production grew over 339 times as compared with 1938, the chemical output—282 times and building materials—170 times.

The permanent renewal and modernization of production through the promotion of advanced technologies have allowed for a substantive increase of industrial exports. As a matter of fact, the Bucharest industry turns out now for foreign buyers a production 9.6 times bigger than in 1965. The export lists include makes of electronics and electrical engineering, fine mechanics and optics, chemistry, machine-building, etc, with a high technical and complexity level.

The future development programs stipulate the further modernization of the Bucharest industry, the building of new and important productive units. It is estimated that the Bucharest City industry will grow at an annual average rate of some 10 percent in the current (1986-1990) five-year period.

Conference Looks at Reform in Hungary

AU1406155888 Belgrade BORBA in Serbo-Croatian 1 Jun 88 p 9

[Laslo Sekelj article: "Budapest Spring"]

[Text] The first international conference of Hungarian political scientists and sociologists, and their foreign colleagues who are of Hungarian descent or deal professionally in modern Hungary, which was organized by the Hungarian Academy of Sciences, was held in Eger 15-20 May. The main topic of the conference was reform in Hungary, and the fact that it was held on the eve of the MSZMP extraordinary conference (20-22 May), that is, its extraordinary congress, has in many ways set the atmosphere for this conference.

The Hungarian side was represented by all major champions of reform, its theoretical creators, ideological and political advocates, and, what is most important, its politically most significant supporters: Imre Pozsgay and Rezso Nyers. Foreign participants were sociologists and political scientists from the United States, Western Europe, and Yugoslavia, who knew the situation in Hungary well and, irrespective of mutual differences, unanimously supported the deep structural reforms in Hungary and in European socialist countries in general.

Extraordinary Congress and Crisis [subhead]

Exactly 1 year ago, in May 1987, the platform of the reformist wing of the party appeared, entitled "Change and Reform." The first reaction of the then ruling set was to try to liquidate the scientific institute that stood behind the project of economic reform; and it partly succeeded. However, just as the Yugoslav experience—which was much mentioned at the conference—demonstrated, by liquidating or disparaging scientific institutions, which only publicize and announce the fact that there is a social crisis, one unfortunately does not abolish the fact that it exists.

The Hungarian economy's debt amounts to $14.5 billion, and in essence still functions according to the Soviet state-planning model, while the population's aspirations are based on consumer societies.

On the other hand, the people's political discontent with this monopolistic party and the political system, which means the rule of such a political party without the political participation of the people, reached high proportions over the past year. Even party politicians have become aware not only that there is a crisis, but also that it is high time that necessary changes were carried out on party legality. Otherwise the changes are going to be carried out by somebody else.

Persecuted for 15 years, the opposition that originated from the Budapest neo-Marxist school (many of whom were from the circle of orthodox-Marxist philosopher Gyorgy Lukacs) was eventually pushed aside by the considerably more influential opposition political forces, which were not burdened by the Marxist heritage: the populist and moderately nationalist Democratic Forum, independent trade unions, the Young Democrats Association, and the Association of Alternative Movements....

The volume of political discontent is best illustrated by something presented to the participants of the conference by Imre Pozsgay, chairman of the PPF and since recent times a member of the MSZMP Politburo: During the pre-congress debate, 18 percent of the party members advocated the introduction of a multiparty system. Pozsgay's commentary is also worth repeating: "You can then imagine how many party members actually think one should introduce a multiparty system, but for various reasons did not say so publicly."

Some highlights from Pozsgay's and Nyers' speeches at the Eger conference of sociologists and political scientists are important for understanding what happened at the Budapest party conference—only another name for the MSZMP extraordinary congress. Just as all Hungarian and foreign participants did, Pozsgay and Nyers stressed that thorough economic reform is impossible without thorough political reform.

Overemphasizing the Character [subhead]

Nyers stopped at this general assertion, but Pozsgay, using the detailed and specific language of a modern politician, explained what that means: abolishing the concept of democratic centralism, separating the party from the state, introducing political pluralism together with the pluralism of ownership relations, and giving a completely new role to the Patriotic Front. What one means here is turning this organization without membership into a kind of a parliament that would rally various political groups—including the opposition. In fact, what Pozsgay advocated was complete political and social democracy, freedom of the press and of association, the system of guaranteed individual and citizens' rights, etc.

The father of Hungarian economic reform, Nyers, went into an interesting discussion on the direct transformation of the entire Bolshevik heritage in Hungary. Thus, he emphasized the fact that according to its historical heritage the MSZMP is actually a united workers party (of socialists and democrats) and that it now overemphasizes its communist character. A former social democrat, Nyers believes in the direct transformation of the party into a social democratic people's party according to the model of the SPD's Bad Godesberg program [adopted at the SPD Congress in Bad Godesberg in 1959], which has been denied so much in Hungary and elsewhere.

Sociological and political analyses, as well as speeches by the MSZMP reformist wing, point to the fact that the same thing that happened in Yugoslavia has now happened in Hungary: The ruling party is losing its legitimacy. An extraordinary congress and personnel changes,

which in fact mean the end of the Kadar era, manifest the strong will of the reformist wing to regain lost legitimacy and to create a modern pluralistic socialist society in Hungary.

There are three factors that make this option possible: First, the Hungarian people's will to finally live in a democratic and progressive society, and to start enjoying the benefits of an industrial and postindustrial society. The other favorable factor is the new Soviet policy toward Eastern Europe.

The third positive factor is the very way in which the changes were carried out. These changes, which mean a break with a certain type of policy, had been made in such a way that nobody's human and political dignity was hurt. This was illustrated by the fact that Janos Kadar, who was left without any political function, was not formally replaced, but was given the honorary invented political post of party president. However, all this will not pass without serious shocks.

The new first secretary, Karoly Grosz, is not a reformist in the same sense that Pozsgay and Nyers are. After all, on the eve of the party conference he did not—as Pozsgay and Nyers did—consult sociologists and political scientists, but visited Margaret Thatcher in London. Unlike the socialistically oriented reformists, what he presented at the party conference was a purely Thatcherist program, without political pluralism.

If the present first secretary and premier endures on such a policy—and he has said, for instance, that one can expect no solidarity in the sense of material support for those who fail on the market—because of the already extant strong social stratification, Hungary will face social unrest. The concept that Grosz advocates is that the lost legitimacy of the MSZMP can be regained through the market and without essential political concessions. In brief, he advocates an economic reform without a thorough political reform. Nevertheless, a general belief harbored by the participants in the Eger conference is that preparations carried out in Hungary for a thorough social transformation open up the prospect of socialism with a human face, and in line with the views of the majority of citizens.

Further on Visit of Venezuelan President Lusinchi

Talks With Dizdarevic End

LD1106041088 Belgrade TANJUG Domestic Service in Serbo-Croatian 2105 GMT 10 Jun 88

[Text] Belgrade, 10 Jun (TANJUG)—Raif Dizdarevic, president of the SFRY Presidency, and Jaime Lusinchi, president of Venezuela, this evening ended their official political talks with the conclusion that a watershed can be expected in the development of economic cooperation between the two countries.

This conclusion of the two presidents was based on the fact that most attention in their talks at the highest level and in the meetings between ministers with portfolios was devoted to the scope for improving economic relations. A document was signed on economic cooperation in which concrete areas of future relations are marked out. An agreement also was concluded on the delivery of 14 Yugoslav ships for the needs of the Venezuelan fleet on the basis of compensation deals of which the overall value is $800 million. These deals should be realized over the next 3-4 years. If the fact is borne in mind that the value of trade now amounts to about $20 million, then one really can talk about an essential turnabout in the economic relations between the two countries.

During the talks there also was discussion of the involvement of Yugoslav work organizations in the construction of individual investment facilities in Venezuela: the construction of a railroad and other lines of communication. Agreement also was reached in principle on cooperation in this field.

Raif Dizdarevic spoke during the meeting this evening about some international topics and stressed that positive changes are noticeable in international relations. He also assessed that the dialogue between the superpowers is having a positive impact on general international trends. Dizdarevic stressed that the nonaligned countries should adapt their activity to this situation.

The ministers with portfolio and other high-ranking officials of the two countries this evening informed Raif Dizdarevic and Jaime Lusinchi about their meetings and talks today. There were about ten of these meetings. Presidents Dizdarevic and Lusinchi also were made aware of the fact that a trade agreement and an agreement on cooperation in science and culture were signed.

The Yugoslav-Venezuelan talks at the highest level passed off in a friendly atmosphere. The assessment on both sides was that they were very successful and meaningful.

Jaime Lusinchi will leave Belgrade tomorrow for Zagreb, where he will continue his official visit.

Lusinchi Visits Zagreb

AU1406103588 Belgrade POLITIKA in Serbo-Croatian 12 Jun 88 p 1

[Text] Zagreb, 11 Jun (TANJUG)—Venezuelan President Jaime Lusinchi, who is paying an official and friendly visit to our country, this morning arrived in Zagreb by a special plane from Belgrade for a 2-day visit to the SR of Croatia.

The prominent guest and his assistants were met and welcomed at Zagreb airport by the most prominent sociopolitical officials of the SR of Croatia, Zagreb, and the Yugoslav People's Army.

During his visit to Zagreb, Lusinchi visited the Prvomajska tool machine factory, and held talks with a delegation of the SR of Croatia.

After Zagreb, the prominent guest from Venezuela will visit Dubrovnik, where he will go sight-seeing.

General Meets With Kadijevic

AU1406103688 Belgrade POLITIKA in Serbo-Croatian 11 Jun 88 p 4

[Text] Colonel General Veljko Kadijevic, federal secretary for national defense, received yesterday in Belgrade Division General Italo del Vale, who is paying an official and friendly visit to our country as a member of a Venezuelan delegation.

Further Reaction to Arrest of Jansa, Others

'Protectors of Democracy' Decried

AU1406193488 Belgrade POLITIKA in Serbo-Croatian 9 Jun 88 p 8

[Bogdan Ibrajter commentary: "Whom Does Speculation Serve?"]

[Text] Pressure on judicial and investigative organs has recently come to a head. It seems that there are more and more people who bandy about great words about "the protection of human rights and freedoms" in their search for protection for Janez Jansa and his supporters. The insinuations about who threatened these rights are almost obvious.

In fact, what is attractive about newspaper reports is that they put news about protests into the spotlight, giving them a non-objective dimension of generality. The already professional "protectors of democracy," who care more about being in the public eye than the protected, appear at every opportunity, especially when and where they think that their protest will enrich the new "democratic aura." They attempt to suspend the authority of the legitimate organs, and they seem not to choose their means. The expression of public suspicion of every action, which has the aim of protecting constitutionality and legality, is the first step in disturbing the public. Obviously the public has not been disturbed by the actual act of detaining Jansa, as there is no reason for them to be, but by the act of conducted politicization, by which the attempt at protecting a right has led to the intention of suspending it.

At this moment, it is obviously worth "stopping the game" and leaving any action to the organs that are experienced in and responsible for this. We are a lawful state, and equality before the law is a condition for this. The fact that Janez Jansa is a candidate for the president of the Republican Conference of the Slovene Socialist Youth Federation does not make him untouchable. Those people who would otherwise fight hammer and tongs for constitutionality and legality must know that well. Or do his "protectors" think otherwise? The "untouchability" of an individual is a serious obstacle to any democratization. Why is there the belief that in this case Jansa could and must be an exception? Why is there the demand that some other organs who are not authorized give special explanations?

The "protectors of the interests" of Jansa and his supporters perhaps do not know, although they should, that information about such matters is given exclusively by judicial organs. Others do not, in case there is any kind of prejudiced decision by a court if there is a trial. Interference in their authority would mean a direct violation of legality, which is what the "protectors of people's freedoms and rights" otherwise happily invoke.

Some foreign newspapers have recently given lectures about people's rights, citing sources and information that come from already well-known individuals and groups in our country. Malice is obvious, and they totally ignore the fact that military courts in some Western ountries give prison sentences of several months for ordinary offenses against their armies. Disclosing military secrets even falls into the category of espionage, and it is well known that "the democratic world" despises its spies.

As we are already talking about secrets and reproaches that explanations of the nature of the criminal acts of a detained group are inadequate and incomplete, we discover that it is a question of a military document that directly concerns the combat capability of some units in our Armed Forces. If the responsible organs revealed details, this would clash not only with the ethics of their work but also with the principle of keeping military secrets. This exists in all armies and is carefully protected by judiciaries all over the world.

It is vulgar to speculate that this case involves an attempt at spreading fear. Jansa and his supporters were not arrested for their political views, however horrifyingly destructive they were, but because of a specific unlawful act.

Some statements made in this respect make the absurdity of the imposed process of mass politicization even greater. Almost all of them begin with the phrase "this is not a question of pressure," but it is a question of unprecedented pressure, which is evident through the actual act of sending letters and numerous statements. The demands that, in this case, the process of changing the criminal legislation be speeded up and that a committee for the protection of human rights begins to act as soon as possible, sound almost funny and provocative. Can this mean anything other than the almost direct claim that human rights and freedoms have been threatened in this case?

Let the investigative and legal organs do their job. However, they must carry out their job in peace without pressure, suspicions, insinuations, lectures on democracy and legality, ambiguous statements, and without insults. The accusation about threatened democracy sounds severe, and those who freely make such an accusation insult all those who do not think the same as they do.

Democracy is not "suspicion of everything that exists," nor is it clearly a visible, nihilistic, and destructive ideological approach. The case of Jansa and his supporters shows how a legitimate act in the protection of legality can be exploited, and how speculation about military intervention has attained the most absurd proportions. Is it possible with a clear conscience to equate the degree of aggression toward organs for the protection of the constitutional order with the process of democratization?

Slovene LC To Consider Case

LD1406200888 Belgrade TANJUG Domestic Service in Serbo-Croatian 1712 GMT 14 Jun 88

[Excerpt] [Summary] Ljubljana, 14 June (TANJUG)—At its session today, the Slovene LC Central Committee Presidium considered issues connected with the possibility of citizens investing and noted that this possibility must be analyzed. In this connection, the acceptance of risk as a factor in a more market-oriented economy was also noted.

"The Presidium decided today to convene a session of the Central Committee at the end of the month. One of the reasons for this, within the framework of preparations for a session of the LCY Central Committee, is to consider the implementation of the conclusions of the LCY Conference. It was also stated that the current political situation that has arisen following the detention of Jansa, Tasic, and Borstner, should be examined. The Central Committee should assess the 'statement' of the Presidency in this connection and, as Kucan said, the worrying, though isolated, phenomena of intolerance, which have begun to be felt uneasily in Slovenia, toward members of other nations in the Republic and the Yugoslav People's Army should also be assessed. 'If this is the case,' Kucan said, 'then in the first place it is we who are responsible, and for this reason we must react to and adopt stances in relation to such phenomena.'"

Slovene President Interviewed

LD1506080888 Belgrade TANJUG in English 0132 GMT 15 Jun 88

[Text] Ljubljana, June 14 (TANJUG)—President of the Slovenian Presidency Janez Stanovnik in an interview to Ljubljana radio and television tonight denied a statement made earlier in the day by Major-General Ivo Tominc about his (Stanovnik's) meeting with the commander of the Ljubljana army district, General Svetozar Visnjic.

"Tominc's statement contains as many inaccuracies as it has sentences," Stanovnik said. He said that late in March he and Visnjic had had a "confidential contact, considerably before the detention" (two weeks ago of the journalists Janez Jansa and David Tasic and the army Sergeant-Major Ivan Borstner) and that on that occasion they logically could not have discussed the "detention of citizens," as Tomic claims.

Stanovnik explained that the meeting had dealt with problems arising from Slovenian press articles about the Army and charges of counter-revolutionary activities and a "special war" being waged against Yugoslavia.

"That informative and not consultative meeting was arranged because of earlier irregular contacts which had given rise to all kinds of speculation," Stanovnik said. He added that the contact was not to have been made public at all, an indirect criticism of Tomic for his disclosure.

In reference to the arrest of Jansa, Tasic and Borstner, Stanovnik made clear that the "action taken by the military prosecutor, i.e. the bringing in of the indictment, is beyond all doubt in keeping with the Constitution and law."

"As for the proceedings against Jansa and Tasic, I had rather they were handled by a civilian court with the assistance of a civilian defence lawyer," Stanovnik said but added that the "present approach is not at variance with existing laws either."

Stanovnik also denied Tomic's claim that he (Stanovnik) had offered "guarantees to the commander of the Ljubljana army district that he will do all in his power to ensure that the proceedings shall be conducted in normal socio-political conditions," because, Stanovnik said, "it is clear to everbody that since the proceedings are being conducted by a military investigative court only Visnjic, and not I, could have guaranteed normal proceedings."

Stanovnik said he had another meeting with Visnjic today during which he had "expressed regret about a series of abusive incidents (in Slovenia) against the investigative organs, their families or military personnel in general."

Stanovnik called on his fellow citizens to "behave in a civilised manner and in the spirit of the full respect for human rights for which we are all fighting together."

Youth Group Urges Clarification

LD1406164388 Belgrade TANJUG Domestic Service in Serbo-Croatian 1335 GMT 14 Jun 88

[Text] Ljubljana, 14 Jun (TANJUG)—The "cultural meeting, which will be held on 21 June in Ljubljana, is not intended as pressure on judicial organs, but as help in resolving as quickly as possible the case of the arrest of Janez Jansa, David Tasic, and Ivan Borstnar, it was said

at today's session of the Presidium of the Republican Conference of the Slovene Socialist Youth Federation, and it was mentioned that similar meetings could also be held in other places in this republic.

A clarification of the case, it was assessed, would also contribute to the debate at the forthcoming session of the Slovene Assembly on the political security situation, or rather the debate on the work of Republican Secretary for Internal Affairs Tomaz Ertl over the last 6 months and on "the statement by Joze Smole to the American press," as well as full information on the attacks on members of the Yugoslav People's Army [YPA] in Slovenia recently. The Yugoslav press has written about these attacks, and they were also mentioned at today's session by Becir Sirovina, president of the youth organization in the Ljubljana army district.

According to him, there are such phenomena and attempts should be made to keep them to a minimum, which was supported too by Presidium members. This was on the whole about all they agreed on.

Becir Sirovina, in fact, repeated the statements of the representative of the military prosecutor's office to the effect that detained persons are dealt with correctly and within the framework of the law. He also mentioned the fact that Ciril Zlobec, vice president of the Slovene SAWP republican conference, had talks about this case with Military Prosecutor Zivko Mazic. It is strange, however, that Zlobec did not find it appropriate to say publicly what the subject of their talks was.

On the other hand, Sirovina believes the whole affair, though it falls within the domain of the judiciary, is being politicized unnecessarily, pressure is being brought to bear on the judiciary, and rumors are being spread about "the trial being rigged." In addition, Sirovina rejected outright all the insinuations and thinking according to which Jansa and Tasic have been arrested because of what they have written and not because of the document, which is a military secret and which in normal circumstances they could not have had in their hands.

If it is a matter of insinuation and pressure then this should be well argued, Tone Anderlic, president of the Slovene youth organization, believes. Anderlic rejected Sirovina's remark that in the incident over the poster for Youth Day he personally behaved completely differently, in other words that at the time he expressly advocated noninterference in the judicial process.

Slovene Lawyers Support Jansa

AU1406190788 Belgrade BORBA in Serbo-Croatian 11-12 Jun 88 p 7

[TANJUG report: "The Usefulness of Conflict"]

[Text] Ljubljana, 10 Jun—"The Federation of Slovene Lawyers' Societies supports the demands of the Slovene public that the principles of constitutionality, legality, and human and professional decency be respected in criminal proceedings against Janez Jansa, Ivan Borstner, and David Tasic, as well as the demands for swift and complete reporting of information to the public, excluding details that fall into the narrowest category of a military secret," says the statement by the Federation of Slovene Lawyers' Societies, which was sent today to the Slovene Presidency and Assembly, the SAWP Republican Conference, and the Military Court in Ljubljana.

The lawyers warned that the mere possession of a military document is not a criminal act. It is a criminal act only in the case of such documentation being collected with the aim of passing it on to unauthorized persons. Public anxiety is a sign of people's increasing sensitivity to such important values as the strict protection of freedoms and rights and, connected with this, to any interference in this area on the part of repressive organs.

The announcement assesses that public anxiety should also be seen as an expression of people's concern for the processes of democratization that have begun and that have achieved encouraging successes in Slovenia. The statement particularly pointed out the independence of the judiciary from political power.

Milosavljevic: Target Inflation Will Be Reached

AU1506071188 Belgrade BORBA in Serbo-Croatian 9 Jun 88 pp 1,3

[D. Zarkovic and D. Kesic report: "FEC Right on Target"]

[Text] Belgrade, 8 Jun—The target inflation rate will be achieved. This was the conclusion Milos Milosavljevic, vice president of the FEC, made at the session of the Federal Chamber of the SFRY Assembly held today.

Milosavljevic said, among other things, that the FEC went into the liberalization program from the period in which price ceilings were set, but in which prices did not nevertheless remain static. The FEC itself made several price corrections, but price increases were nevertheless slowed down.

Then he said: "Up to the end of May and including the May retail price increase of 3.8 percent, inflation has reached the 28.8 percent level in relation to December last year. In the next 7 months, we should achieve the target inflation even with an average monthly rate of 8 percent.

The Federal Chamber today obliged the FEC to prepare, until the end of September, the drafts of legal projects that refer to the reform of the economic system. This supported the general view that there should be no rush in adopting amendments to the SFRY Constitution and that the so-called economic amendments which should, according to Mikulic's original suggestion, be adopted in September, should not be taken out of the "package."

At the suggestion of Omer Kurpejovic, the delegates adopted the conclusion that the SFRY Assembly Constitutional Commission submit a report on its work on the amendments and provide information on who is respecting the deadlines set by the Federal Chamber and who is not.

In a swift procedure the delegates adopted the Law on the Social Accounting Service according to which the paying out of guaranteed personal incomes would have priority. Before this, personal incomes were in third place on the so-called priority list.

Milos Milosavljevic today also informed the delegates of the Chamber of Republics and Provinces about the current economic situation—just like his colleague Janez Zemljaric informed delegates of the Federal Chamber several days ago. He said, among other things:

"The first days of price liberalization are worrying. We are facing the phenomena of monopolistic behavior, which is best illustrated by agreements reached in some republics and provinces among associated labor organizations in the meat industry. With the sales network held in their hands, they have completed a picture of a monopolistic organization.

"The FEC's decision to intervene with the sale of meat from reserves did not make any difference except in two cases. Monopolistic behavior causes damage to both producers and consumers. At the same time, a number of producers, not caring about sales opportunities, are making very hasty decisions on large price increases as if the market capability is unlimited. But, I am convinced that the market logic will soon reject them, provided that we maintain the established nominal limits.

"The pressure on extending monetary limits is increasing while the information, which is also cited by international financial institutions, that the Yugoslav economy has 19 percent of its social product tied up in stocks of raw and production materials, and unfinished and finished products, does not seem to bother anybody."

Monopoly and Communal Services [subhead]

"All this is being covered either by loans bearing a real interest rate, or by the expansion of interorganizational debts and claims. We must sell if we want to survive in the market and on the business scene.

"Questions have been asked whether the FEC will wage only a verbal struggle against these phenomena, or whether it will undertake adequate economic measures. In addition to the liberalization of imports and the setting up of the foreign exchange market in order to facilitate imports, it is obvious that we must immediately intervene with additional imports that are not subject to liberalization, but are regarded as contingencies.

"In doing this it will be necessary to review all import duties and levies.

"The real depression of the dinar, which automatically made imports more expensive, also requires these corrections. They do not have to be linear, but must proceed from objective price relations and from the aims of our development policy. At the same time, we must suppress any attempt by producers to set up monopolies.

"The FEC also warned about large price increases of some communal services, which are under the jurisdiction of other sociopolitical communities. We do not intend to correct these prices with any federal measures. These decisions should be checked by the organs of the socioeconomic communities where these decisions were made. But we felt that it was our obligation to say that such price rises do not stem from changes in the price of energy and raw materials that the FEC announced on 27 May.

"If other reasons for this existed and if they were conditioned by the location of these services, it is up to the organs that made these decisions to implement them, proceeding from their obligations and duties," Milosavljevic said.

"The application of the law on limiting personal incomes caused a certain reaction in associated labor organizations, particularly in the part of the Yugoslav economy that encountered problems of bringing personal incomes into harmony with the limits set by the law.

Despite the fact that this concerns only a small part of the Yugoslav economy, it is obvious that although the legal measures are selective, they have also produced certain linear and unwanted effects. This refers in particular to those associated labor organizations that had better business results this year, which increased their production and exports in relation to the same period last year, and to the organizations with a seasonal character to their business activities."

A Quarter for Joy [subhead]

Difficulties also arise because the average gross income realized in the period January-March this year was 451,000 dinars, which means that it was above the set limit of 448,000 dinars in nominal terms. If, according to the computation of personal incomes for the period January-June, all organizations pay out what they are entitled to pay because they have set aside greater amounts of money for accumulation, the average personal income would reach the 490,000 dinar mark.

"The calculated personal incomes for the first 6 months of this year must be brought within the nominal limits set by the law and the agreement with the IMF. But, we are at the same time facing the next quarter and nominal limits that permit, in Yugoslavia as a whole, an increase to the average gross personal income of 494,000 dinars in the period January-September this year.

"Therefore, not only will we facilitate harmonization of incomes, but we will provide for a certain rise in personal incomes. But, it must be understandable that this does not apply to all cases and all situations," Milosavljevic said.

"The set nominal limits for rises in personal incomes, based on gross personal incomes, seriously raise the question of raising taxes and contributions in relation to the first half of this year. All these increases adversely affect net personal incomes. This is why it is necessary to start a resolute action and correct the rates of tax and contributions and bring them to their previous level. The nominal limits set for general and joint expenditure should also work in this direction," Milosavljevic said.

FEC Session Discusses Economic Reform

LD1006135488 Belgrade TANJUG Domestic Service in Serbo-Croatian 1713 GMT 9 Jun 88

[Text] Belgrade, 9 Jun (TANJUG)—During its session today chaired by Branko Mikulic, the FEC discussed the basis for economic reform, prepared by the FEC commission responsible for this area. It was considered that the proposed concept of reform is acceptable and that it represents a good basis for further work. The solutions offered ensure the independence of economic subjects, full impact of economic and market laws, the opening of our economy to world market influence, and the reduction of the state's role to what, in these conditions, is absolutely necessary.

The Federal Secretariat for Information reports that in addition the sequence of moves and deadlines for further work on the preparation of economic reform have been established. Economic reform will be prepared parallel with the work on constitutional changes. The commission will continue its work on preparing the guidelines for economic reform, which will serve as the basis for the preparation of legal enactments in appropriate federal organs. The preparations for draft laws in the federal organs will begin at once. Experts from academic institutions and the economy will be drafted in this work. It will thus be made possible for new legal enactments to be passed immediately on the adoption of constitutional amendments. In this case, the economic subjects will be given a timely warning about the new conditions of economic operations in 1989.

Some questions and dilemmas that have arisen in connection with obligatory savings, personal income on the basis of current labor, use of social resources, and also the tax system will be overcome during the future work of the commission for economic reform and appropraiate institutions.

The FEC discussed the implementation of the price policy this year which, it said, is not being implemented in the way established in the resolution. And yet, despite the considerable price increases during the first months of this year, the growth of inflation was partly mitigated compared to last year's. Recently, however, some associated labor organizations increased the prices of their products. The increases were enormous and economically unjustified. The basic objective of the economic policy after 15 May is that, in terms of their size and intensity, price hikes should not exceed the target inflation rate. To overshoot the target rate will effect the fall of real personal wages, revenue for general and joint expenditure, and it would especially increase the economy's cash flow problems. It would also produce other negative effects. It was thus stressed that when adopting decisions on prices all social subjects should comply with economic criteria and should feel accountable for the implementation of the basic objectives of economic policy this year.

Reports on the situation in and the operation of rail transportation, PTT [post, telephone, and telegraph] communications, and the power industry last year were also discussed during the session.

Correction to LCY Conference Theses

LD1406164988 The following correction pertains to the item headlined "Text of LCY Conference Theses," published in the 14 June 1988 East Europe DAILY REPORT, pages 29-45:

Page 36, column two, paragraph continued from first column, last sentence, to first full paragraph on column, first sentence: ... of the people. [new paragraph]

16. It is the ... (supplying dropped figure)

Page 42, column one, second paragraph, last sentence, to third paragraph, first sentence: ...are consistently implemented. [new paragraph]

29. The reaffirmation of .... (providing missing figure per monitor recheck)